



**NEW ENERGY METALS**  
CORP.

## **2018 ANNUAL GENERAL MEETING**

**Notice of Annual General Meeting of Shareholders  
and  
Management Information Circular**

**Place:** Suite 2300 – 1177 West Hastings Street  
Vancouver, BC V6E 2K3

**Time:** 9:00 a.m. PDT

**Date:** October 31, 2018



## CORPORATE DATA

### **Head Office**

Suite 2300 – 1177 West Hastings Street  
Vancouver, British Columbia  
Canada V6E 2K3  
Telephone: 604-484-1232  
Facsimile: 604-408-7499  
Web Site: [www.newenergymetals.com](http://www.newenergymetals.com)

### **Directors**

Grant Ewing  
Charles Hethey  
Gunther Roehlig  
Christopher Little

### **Officers**

Grant Ewing, CEO & President  
Blaine Bailey, CFO  
Marla Ritchie, Corporate Secretary

### **Registrar & Transfer Agent**

Computershare Investor Services Inc.  
3<sup>rd</sup> Floor, 510 Burrard Street  
Vancouver, British Columbia  
V6C 3B9

### **Legal Counsel**

Lotz & Company  
Suite 1170 – 1040 West Georgia Street  
Vancouver, British Columbia  
V6E 4H1

### **Auditor**

Smythe LLP  
Chartered Professional Accountants  
7<sup>th</sup> Floor, 355 Burrard Street  
Vancouver, British Columbia  
V6C 2G8

### **Stock Exchange Listings**

TSX Venture Exchange  
Symbol: “ENRG”

OTC  
Symbol: “NEMCF”

# **NEW ENERGY METALS CORP.**

Suite 2300 – 1177 West Hastings Street  
Vancouver, British Columbia  
Canada V6E 2K3

## **NOTICE OF 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2018 annual general meeting (the “Meeting”) of the shareholders of New Energy Metals Corp. (the “Company”) will be held in the Main Boardroom of the Company’s offices at Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia, on October 31, 2018, at the hour of 9:00 a.m. (Vancouver time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the fiscal year ended June 30, 2018, (with comparative statements relating to the preceding fiscal period), together with the report of the auditor thereon;
2. to appoint Smythe LLP, Chartered Professional Accountants, as auditors of the Company for the fiscal year ending June 30, 2019, and to authorize the directors to fix the auditors’ remuneration;
3. to fix the number of directors to be elected to the board at four (4);
4. to elect the directors for the ensuing year;
5. to consider and, if thought fit, to pass an ordinary resolution to approve the adoption of a new stock option plan of the Company, the complete text of which is set out in Schedule “B” of the accompanying management information circular; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment or postponement thereof.

The details of all matters proposed to be put before the shareholders at the Meeting are set forth in the management information circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

The directors of the Company have fixed September 26, 2018, as the record date for the Meeting (the “Record Date”). Only shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment or postponement thereof.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please exercise your right to vote by completing and returning the accompanying form of proxy and deposit it with Computershare Investor Services Inc. Proxies must be completed, dated, signed and returned to Computershare Trust Company of Canada, Proxy Dept., 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 by 9:00 a.m. (Vancouver time) on October 29, 2018, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Telephone voting can be completed at 1-866-732-8683, voting by fax can be sent to 1-866-249-7775 or 416-263-9524 and Internet voting can be completed at [www.investorvote.com](http://www.investorvote.com).

Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice. If you are a non-registered shareholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to vote your shares.

DATED at Vancouver, British Columbia, this 28<sup>th</sup> day of September, 2018.

BY ORDER OF THE BOARD

*/s/ Grant Ewing*

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GRANT EWING,  
Chief Executive Officer, President and director

# **NEW ENERGY METALS CORP.**

Suite 2300 – 1177 West Hastings Street  
Vancouver, British Columbia  
Canada V6E 2K3  
Tel: 604-484-1232  
Fax: 604-408-7499

## **MANAGEMENT INFORMATION CIRCULAR**

**For the 2018 Annual General Meeting to be held on October 31, 2018  
(information is as at September 28, 2018, except as indicated)**

### **GENERAL PROXY INFORMATION AND CIRCULAR DISCLOSURE**

#### **Persons Making the Solicitation**

**This Information Circular is being furnished in connection with the solicitation of proxies by the management of New Energy Metals Corp. (the “Company”) for use at the annual general meeting (the “Meeting”) of the holders of common shares in the capital of the Company (the “Shareholders”) to be held in the Main Boardroom of the offices of the Company at Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia, Canada on Wednesday, October 31, 2018, at 9:00 a.m. (Vancouver time) for the purposes set forth in the accompanying Notice of Meeting.** While it is expected that the solicitation of proxies will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. The Company may reimburse Shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute proxies. All costs of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

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

The individuals named in the accompanying form of proxy (the “Proxy”) are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.** A Proxy will not be valid unless the completed, dated and signed Proxy is received by Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 by 9:00 a.m. (Vancouver time) on October 29, 2018 or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Telephone voting can be completed at 1-866-732-8683, voting by fax can be sent to 1-866-249-7775 or 416-263-9524 and Internet voting can be completed at [www.investorvote.com](http://www.investorvote.com).

Late Proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late Proxy. The Chairman of the Meeting may waive or extend the Proxy cut-off without notice.

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the office of the Company, at Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3, at any

time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you are a non-registered Shareholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to revoke your voting instructions.

### **Exercise of Discretion**

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made. **If you do not provide instructions in your Proxy, the persons named in the enclosed Proxy will vote your shares FOR the matters to be acted on at the Meeting.**

The persons named in the enclosed Proxy will have discretionary authority with respect to any amendments or variations of these matters or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment or other item of business that comes before the Meeting is routine or contested. The persons named in the enclosed Proxy will vote on such matters in accordance with their best judgment. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

### **Advice to Non-Registered (Beneficial) Shareholders**

The information set out in this section is important to many Shareholders as a substantial number of Shareholders do not hold their shares in their own name.

**Only registered Shareholders or duly appointed proxyholders for registered Shareholders are permitted to vote at the Meeting. Most of the Shareholders of the Company are “non-registered” Shareholders because the shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.**

More particularly, a person is not a registered Shareholder in respect of shares of the Company which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either (a) in the name of an intermediary (the “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively referred to as the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies (such as Broadridge Investor Communication Solutions) to forward the Meeting Materials to Non-Registered Holders. Generally, if you are a Non-Registered Holder and you have not waived the right to receive the Meeting Materials you will either:

- (a) be given a form of **proxy which has already been signed by the Intermediary** (typically by a facsimile stamped signature) which is restricted to the number of shares beneficially owned by you, but which is otherwise not complete. Because the Intermediary has already signed the proxy, this proxy is not required to be signed by you when submitting it. In this case, if you wish

to submit a proxy you should otherwise properly complete the executed proxy provided and deposit it with **Computershare Investor Services Inc.**, as provided above; or

- (b) more typically, a Non-Registered Holder will be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy”, “proxy authorization form” or “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page printed form, the voting instruction form will consist of a regular printed proxy accompanied by a page of instructions that contains a removable label containing a bar-code and other information. In order for the proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the proxy, properly complete and sign the proxy **and return it to the Intermediary or its service company (not the Company or Computershare Trust Company of Canada)** in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares that they beneficially own. If you are a Non-Registered Holder and you wish to vote at the Meeting in person as proxyholder for the shares owned by you, you should strike out the names of the management designated proxyholders named in the proxy authorization form or voting instruction form and insert your name in the blank space provided. **In either case, you should carefully follow the instructions of your Intermediary, including when and where the proxy, proxy authorization or voting instruction form is to be delivered.**

The materials with respect to the Meeting are being sent to both registered Shareholders and Non-Registered Holders who have not objected to the Intermediary through which their shares are held disclosing ownership information about themselves to the Company (“NOBOs”). If you are a NOBO, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary on your behalf.

If you are a Non-Registered Holder who has objected to the Intermediary through which your shares are held disclosing ownership information about you to the Company (an “OBO”), you should be aware that the Company does not intend to pay for Intermediaries to forward the materials with respect to the Meeting, including proxies or voting information forms, to OBOs and therefore an OBO will not receive the materials with respect to the Meeting unless that OBO’s Intermediary assumes the cost of delivery.

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

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, with the exception of the approval and adoption of the Company’s new stock option plan (the “New Option Plan”).

#### **VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at September 26, 2018 (the “Record Date”), 41,066,001 common shares were issued and outstanding. Each of the holders of common shares are entitled to receive notice of, attend and vote at the Meeting.

Only Shareholders of record at the close of business on the Record Date, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their common shares voted at the Meeting.

On a show of hands, every individual who is present as a registered Shareholder or as a duly appointed representative of one or more registered corporate Shareholders will have one vote, and on a poll every registered Shareholder present in person or represented by a validly appointed proxyholder, and every person who is a duly appointed representative of one or more corporate registered Shareholders, will have one vote for each common share registered in the name of the Shareholder on the list of Shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

To the knowledge of the directors and executive officers of the Company, based on public information, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying 10% or more of the voting rights attached to all of the issued and outstanding common shares as at the Record Date.

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

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the board of directors of the Company (the “Board of Directors” or the “Board”), or their respective associates or affiliates, are or have been indebted to the Company or its subsidiaries since the beginning of the last completed financial year of the Company.

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

Other than as disclosed herein, since the beginning of the Company’s last financial year, no “informed person” of the Company (including a director, officer or individual or corporation that beneficially owns or controls 10% or more of the issued and outstanding voting securities of the Company), proposed nominee for election as a director of the Company (“proposed director”), or any associate or affiliate of any informed person or proposed director, has any material interest, direct or indirect in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. See “Interest of Certain Persons or Companies in the Matters to be Acted Upon”.

#### **MANAGEMENT CONTRACTS**

The management functions of the Company and its subsidiaries are primarily performed by the directors and executive officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular, a “Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a Chief Executive Officer (“CEO”) of the Company;
- (b) a Chief Financial Officer (“CFO”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for the financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at the end of the most recently completed financial year.

## Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs since incorporation on March 13, 2017.

Table of compensation excluding compensation securities							
Name and Position	Year (ended June 30)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Grant Ewing <sup>(1)</sup> CEO, President & Director	2018	86,236 <sup>(2)</sup>	Nil	Nil	Nil	Nil	86,236 <sup>(2)</sup>
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Blaine Bailey CFO <sup>(3)</sup>	2018	18,000	Nil	Nil	Nil	Nil	18,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Charles Hethey Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Gunther Roehlig Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Little <sup>(4)</sup> Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Greg Crowe Former CEO & Director <sup>(5)</sup>	2018	--	--	--	--	--	--
	2017	--	--	--	--	--	--
Konstantin Lichtenwald Former CFO and Secretary <sup>(6)</sup>	2018	--	--	--	--	--	--
	2017	--	--	--	--	--	--

Notes:

- (1) Grant Ewing was appointed CEO and President on January 29, 2018.
- (2) Grant Ewing received his compensation in respect of his position as CEO.
- (3) Blaine Bailey provides CFO services through Promaid Services Ltd., a private company owned by him, for the monthly amount of \$4,500, in consulting fees pursuant to a consulting agreement between the Company and Promaid Services Ltd., dated March 1, 2018.
- (4) Christopher Little was appointed to the Board of Directors on September 25, 2018.
- (5) Greg Crowe resigned as the CEO and a director of the Company effective January 29, 2018.
- (6) Konstantin Lichtenwald resigned as an officer of the Company effective February 21, 2018.

### External Management Companies.

Except as described above, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

## Stock Options and Other Compensation Securities

The following table, discloses all compensation securities granted or issued to each NEO or director by the Company or its subsidiaries in the year ended June 30, 2018, for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Grant Ewing CEO, President & Director	Stock Options	340,000 350,000 25.5%	Jan 29/18 Apr 11/18	\$0.25 \$0.69	\$0.26 \$0.80	\$0.15 \$0.15	Jan 29/23 Apr 11/23
Blaine Bailey CFO	Stock Options	340,000 180,000 19.3%	Jan 29/18 Apr 11/18	\$0.25 \$0.69	\$0.26 \$0.80	\$0.15 \$0.15	Jan 29/23 Apr 11/23
Charles Hethey Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Gunther Roehlig Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Christopher Little Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Company's financial year ended June 30, 2018. All options listed below vested immediately.

Name and Position	Number of Options
Grant Ewing, CEO, President and director	690,000
Blaine Bailey, CFO	520,000
Charles Hethey, director	Nil
Gunther Roehlig, director	Nil
Christopher Little, director	Nil

No compensation securities were exercised by any directors or NEOs during the year ended June 30, 2018. No compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified during the year ended June 30, 2018.

There are no restrictions or conditions currently in place for converting, exercising or exchanging the compensation securities.

### Stock option plans and other incentive plans

The only incentive plan maintained by the Company is its existing stock option plan. If approved by the Shareholders, and subject to final acceptance by the TSX Venture Exchange (the "TSX-V"), the Company's existing stock option plan will be cancelled in its entirety and will be replaced by the New Option Plan, the material terms of which are described below at "*Particulars of Matters to be Acted Upon*

–Approval and Adoption of the New Option Plan”. The New Option Plan requires annual shareholder approval.

### **Employment, Consulting and Management Agreements**

Except as described below, the Company has not entered into any agreements or arrangements under which compensation is provided to any NEOs or directors or any persons providing services typically provided by a director or NEO.

Blaine Bailey provides CFO services through Promaid Services Ltd., a private company owned by him, for the monthly amount of \$4,500, in consulting fees pursuant to a consulting agreement between the Company and Promaid Services Ltd. dated March 1, 2018.

Grant Ewing, the Company’s CEO and President, has entered into an executive employment agreement with the Company dated January 29, 2018, for monthly remuneration of \$16,000.

Charles Hethey, a director of the Company, provides legal services to the Company through O’Neill Law Corporation, a law corporation of which Mr. Hethey is a shareholder. For the year ended June 30, 2018, the Company paid legal fees to O’Neill Law Corporation in the amount of \$26, 972.

Except as described above, the Company does not have any contracts, agreements, plans or arrangements that provide for payment to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO’s responsibilities.

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

The Company has a compensation program. The Board of Directors relies on the experience of its members to ensure that total compensation paid to the Company’s management is fair and reasonable and is both in-line with the Company’s financial resources and competitive with companies at a similar stage of development.

The Company does not have a compensation or nominating committee in place. All tasks related to developing and monitoring the Company’s approach to the compensation of executive officers of the Company and to developing and monitoring the Company’s approach to the nomination of directors are performed by the members of the Board of Directors. The Board meets to discuss and determine management compensation as required, without reference to formal objectives, criteria or analysis.

#### Compensation Philosophy

The Company has taken a forward looking approach for the compensation for its directors, officers, employees and consultants to ensure that the Company can continue to build and retain a successful and motivated discovery and development team and, importantly, align the Company’s future success with that of Shareholders.

The Company’s compensation strategy is to attract and retain talent and experience with focused leadership in the operations, financing and asset management of the Company with the objective of maximizing the value of the Company. The Company compensates its NEOs based on their skill and experience levels and the existing stage of development of the Company. NEOs are rewarded on the basis of the skill and level of responsibility involved in their position, the individual’s experience and qualifications, the Company’s resources, industry practice, and regulatory guidelines regarding executive compensation levels.

Under the Company’s compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

The Company has not currently identified specific performance goals or benchmarks as such relate to executive compensation. The stage of the Company’s development and the small size of its specialized

management team allow frequent communication and constant management decisions in the interest of developing Shareholder value as a primary goal.

The Board of Directors believes that the compensation policies and practices of the Company do not encourage executive officers to take unnecessary or excessive risk; however, the Board intends to review from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Implicit in the Board of Director'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 Shareholders and risk implications is one of many considerations which are taken into account in such design.

#### Compensation Components

The Board of Directors has implemented three levels of compensation to align the interests of the NEOs with those of the Shareholders. First, NEOs may be paid a monthly salary or consulting fee. Second, the Board of Directors may award NEOs long-term incentives in the form of stock options. Finally, and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. To date, no specific formulas have been developed to assign a specific weighting to each of these components.

#### *Base Salary*

The base compensation of the NEOs is reviewed and set annually by the Board of Directors. The salary review for each NEO is based on an assessment of factors such as:

- current competitive market conditions;
- compensation levels within the peer group; and
- particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual.

Using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, the Board performs an annual assessment of the compensation of all executive officer compensation levels and then sets the base salaries or consulting fees of the NEOs.

#### *Annual Incentive Plan*

Awards under the Company's annual incentive plan are made by way of cash bonuses, which are based in part on the Company's success in reaching its objectives and in part on individual performance. The Board considers and awards annual incentives.

In determining whether to award any annual incentives, the Board reviews corporate performance objectives during the year. During the last financial year, the principal objectives included:

- exploration success, including the discovery of material mineralization in one or more of the Company's properties;
- acquisition of new properties;
- sales and joint ventures of properties and the formation of strategic alliances;
- capital management;
- maintaining compliance with the regulatory and disclosure framework;
- increasing investor interest in the Company; and
- increasing the Company's market capitalization.

The Board assesses each NEO's performance on the basis of his respective contribution to the achievement of corporate goals as well as to the needs of the Company that arise on a day-to-day basis. There were no annual bonuses paid to the NEOs during the last financial year.

### *Long-Term Compensation*

Long-term compensation is paid to NEOs in the form of stock option grants.

#### Stock Option Plan

The Company established its existing stock option plan and is proposing the New Option Plan in replacement thereof, to encourage share ownership and entrepreneurship on the part of the directors, senior management, employees and consultants. The Board believes that the Company's stock option plan aligns the interests of NEOs with the interests of Shareholders by linking a component of executive compensation to the longer term performance of the common shares.

Options are generally granted on an annual basis, subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period. All options granted to NEOs are approved by the Board of Directors.

In monitoring stock option grants, the Board takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board of Directors also makes the following determinations:

- the exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each stock option; and
- the other materials terms and conditions of each stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Company's stock option plan.

There were no actions, decisions or policies made since June 30, 2018, that would affect a reader's understanding of NEO compensation.

#### **Pension Disclosure**

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

#### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out details of all the Company's equity compensation plans as of June 30, 2018, being the end of the Company's most recently completed financial year. The Company's equity compensation plan consists of its existing stock option plan.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) (c)</b>
Equity compensation plans approved by security holders	2,700,000 <sup>(1)</sup>	0.41 <sup>(2)</sup>	<b>1,406,600</b>
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>TOTAL</b>	<b>2,700,000</b>	0.41 <sup>(2)</sup>	<b>1,406,600</b>

Notes:

(1) As at June 30, 2018, being the last day of the Company's most recently completed financial year, at which time 41,066,001 common shares and 2,700,000 options were issued and outstanding.

(2) Consisting of 1,700,000 options with an exercise price of \$0.25, which expire on January 29, 2023, and 1,000,000 options with an exercise price of \$0.69, which expire on April 23, 2023.

## **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") of the Canadian Securities Administrators requires the Company to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

### **Board of Directors**

The Board of Directors has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board of Directors sets long-term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board of Directors reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the audit committee of the Board, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board of Directors, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without Board approval, on all ordinary course matters relating to the Company's business.

The Board of Directors also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board of Directors is responsible for the appointment of senior management and monitoring of their performance.

The Board of Directors has not adopted a written mandate or code setting out the foregoing obligations, since it believes it is adequately governed by the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Company. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

A director is "independent" if the director has no direct or indirect material relationship with the Company. A "material relationship" has the meaning within section 1.4 of National Instrument 52-110 *Audit Committees* ("NI 52-110") of the Canadian Securities Administrators and includes a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. The Board of Directors is currently comprised of four directors, all of which three are independent. The independent members of the Board are Christopher Little, Charles Hethy and Gunther Roehlig. The non-independent director is Grant Ewing.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

The Board does not hold regularly scheduled meetings without the non-independent directors and members of management. Since the beginning of the Company's last financial year, the independent directors did not hold any ad hoc meetings without the non-independent directors and management.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Company's business.

At this time, the Board of Directors does not have a Chairman. In the absence of a Chairman and in accordance with the articles of the Company, any director of the Company, as selected by the Board of Directors from time to time and in any such manner as they may determine, is responsible for presiding over meetings of the directors. In the absence of a Chairman, meetings of the Company's Shareholders will be presided upon by the Company's President. The Company has determined that this is appropriate as the independent directors either have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and therefore, do not require the guidance of an independent Chairman of the Board in exercising their duties as directors.

### **Description of Roles**

The Board of Directors has not established written descriptions of the positions of the Chairman of the Board, Chief Executive Officer or Chairman of any of the committees of the Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary and would not improve the function and performance of the Board, Chief Executive Officer or any committee.

The Board has not set limits on the objectives to be met by the Chairman of the Board, as appointed from time to time, but believes that such limits and objectives should depend upon the circumstances of each situation and that to formalize these matters would be restrictive and unproductive.

## Other Directorships

The following directors and proposed nominees for election as directors of the Company are also directors of other reporting issuers:

Name of Director	Name of other Reporting Issuer
Gunther Roehlig	Hello Pal International Inc. <sup>(1)</sup> Broome Capital Inc. <sup>(2)</sup> Plymoth Realty Capital Corp. <sup>(3)</sup> Zinc One Resources Inc. <sup>(2)</sup> Yuntone Capital Corp. <sup>(2)</sup> Darren Business Development Corp <sup>(3)</sup>

Notes:

- (1) Canadian Securities Exchange
- (2) TSX-V
- (3) NEX Board of the TSX-V

## Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. Information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. Access to recent and historical, publicly filed documents of the Company, management reports and the Company's internal financial information; and
3. Access to management, technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

## Ethical Business Conduct

The Board of Directors has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## Nomination of Directors

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. The Board of Directors considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual general meeting. The Board takes in to account the number of directors required to carry out the Board's duties effectively and to provide the required skills, independence and experience.

## **Assessments**

The Board of Directors has not established a formal process to regularly assess the Board and the Audit Committee with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, the Audit Committee or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## **General Compensation Strategy**

The executive officers and other senior management of the Company are compensated in a manner consistent with their respective contributions to the overall benefit of the Company, and in line with the criteria set out below.

The performance of the President and Chief Executive Officer, Chief Financial Officer and other senior management of the Company is evaluated by the Board of Directors and measured against the Company's business goals and industry compensation levels.

At the present time, executive compensation at the Company is based on a subjective analysis by the members of the Board of Directors of information available to them regarding compensation in the junior mineral exploration industry in general, together with their own experience as directors of mineral resource exploration companies, and the Board of Directors has not formulated any specific or objective performance benchmarks or goals with respect to determining executive compensation. Pursuant to the employment agreements in place for a number of executive officers, the Board of Directors is to consider, on a yearly basis and within 120 days of each fiscal year end, the performance of the executive officers during the relevant fiscal year, the rate of inflation, the performance of the Company and of its common shares, the services anticipated to be provided by the executive officers over the next fiscal year, the comparable salaries for such positions in the then current marketplace in which the Company operates, the existing and projected financial status of the Company and any other factors it determines to be relevant. In the case of a mineral exploration company such as the Company, the ability to determine and carry out generative programs based on new geological theories or concepts in previously unexplored areas, the ability to source and secure promising mineral properties and to successfully negotiate for the option, joint venture or sale, when appropriate, of the Company's interest in its mineral properties, the ability to plan and carry out appropriate exploration and development activities on the Company's mineral properties and raise the necessary capital to carry out such activities and otherwise maintain the Company's ongoing activities, the ability to ensure compliance by the Company with applicable regulatory requirements and the ability to carry on business in an ethical and sustainable manner, are considered by the Board of Directors to be of primary importance in assessing the performance of its executive officers.

The foregoing criteria are used to subjectively assess the appropriate compensation level for the CEO and other executive officers.

## **Other Board Committees**

Committees of the Board are an integral part of the Company's governance structure. At the present time, the Board has no other committees other than the Audit Committee.

## **AUDIT COMMITTEE**

NI 52-110 requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Information Circular certain information regarding the Audit Committee. That information is disclosed below.

## **Overview**

The primary function of the Audit Committee of the Board (the "Audit Committee") is to assist the Board

of Directors in fulfilling its financial oversight responsibilities by (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company's financial reporting processes generally. In meeting these responsibilities, the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board of Directors. The Audit Committee is also mandated to review and approve all material related party transactions.

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

Unless it is a "venture issuer" (an issuer, the securities of which are not listed or quoted on any of the Toronto Stock Exchange, a market in the USA other than the over-the-counter (OTC) market, or a market outside of Canada and the USA) as of the end of its last financial year, NI 52-110 requires each of the members of the Audit Committee to be independent and financially literate. Since the Company is a "venture issuer" (its securities are listed on the TSX-V and OTC Markets, but are not listed or quoted on any other exchange or market) it is exempt from this requirement. In addition, the Company's governing corporate legislation requires the Company to have an audit committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Company or an affiliate of the Company. The Audit Committee complies with this requirement.

The Audit Committee is currently comprised of Grant Ewing, Charles Hethey and Gunther Roehlig. If re-elected, Messrs. Ewing, Hethey and Roehlig will be re-appointed by the Board to the Audit Committee. Each member of the Committee is considered to be "financially literate" as defined by NI 52-110 in that he has 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. Charles Hethey and Gunther Roehlig are considered independent. To be considered to be independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board reasonably interfere with the exercise of a member's independent judgment.

The current members of the Audit Committee are elected by the Board of Directors at its first meeting following the annual Shareholders' meeting. Unless a Chairman is elected by the full Board, the members of the Committee designate a Chairman by a majority vote of the full Committee membership.

### **Relevant Education and Experience**

*Grant Ewing:* Mr. Ewing has a Bachelor of Science in Geology from the University of Calgary, and is a Registered Professional Geologist (P.Ge.) His mineral industry experience is complemented by strong M&A and capital markets knowledge. He is a seasoned mining executive and has extensive experience in all aspects of mineral exploration and development. His mining career spans over 20 years and encompasses work as an Exploration Geologist early in his career, followed by senior executive positions with junior mining companies. Mr. Ewing has widespread knowledge of financial markets, project financing, property evaluation and acquisitions. Accordingly, Mr. Ewing has experience with the review and understanding of the accounting principles relevant to the Company's financial statements.

*Charles Hethey:* Mr. Hethey obtained a Juris Doctor from Bond University, Faculty of Law. As a lawyer, Mr. Hethey represents a number of US and Canadian listed entities on the TSX Venture Exchange, the CSE and the US OTC markets. His clients are active in a broad range of industries, including mineral resources, oil and gas, industrial, green energy and technology. His practice focuses on US and Canadian corporate finance, mergers and acquisitions and other general corporate matters. He has represented numerous mineral exploration companies and advised them on their securities compliance obligations over the last 10 years. Accordingly, Mr. Hethey has the ability to understand financial statements relating to junior mineral resource companies.

Gunther Roehlig: Mr. Roehlig has more than 15 years of experience in the financial and investment industry. In particular, he has experience in restructuring, managing and financing junior public companies. Mr. Roehlig has served as both a director and an officer of a number of junior mineral exploration companies listed on the TSX-V. Accordingly, Mr. Roehlig has the ability to understand financial statements relating to junior mineral resource companies.

### **Audit Committee Charter**

The Company has adopted a Charter for the Audit Committee which sets out the committee’s mandate, organization, powers and responsibilities, a copy of which is attached hereto as Schedule “A”.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Company’s Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on an exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Section 3.2 of NI 52-110 (*Initial Public Offerings*), Section 3.3(2) of NI 52-110 (*Controlled Companies*), Section 3.4 of NI 52-110 (*Events Outside Control of Member*), Section 3.5 of NI 52-110 (*Death, Disability or Resignation of Audit Committee Member*) or Section 3.6 of NI 52-110 (*Temporary Exemption for Limited and Exceptional Circumstances*), on an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*) or on Section 3.8 of NI 52-110 (*Acquisition of Financial Literacy*).

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company’s Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

### **External Auditor Service Fees**

The following table sets out the fees paid by the Company to its auditors since incorporation on March 13, 2017.

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
June 30, 2018	\$17,850	\$5,1000	--	\$2,550
June 30, 2017	\$10,000	--	--	--

Notes:

- (1) The aggregate audit fees billed for the audit of the financial statements for the fiscal year indicated.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements which are not included under the heading “Audit Fees”.
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. The work performed in each year was assistance in the preparation and review of tax returns.
- (4) The aggregate fees billed for products and services other than as set out under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”. The services rendered are in connection with the review of the Company’s quarterly financial statements and management’s discussion and analysis for the fiscal years indicated.

### **Venture Issuer Exemption**

Since the Company is a “venture issuer” it relies on the exemption contained in Section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in “Composition of the Audit Committee” above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Company’s Annual Information Form, if any, and this Information Circular).

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Financial Statements**

The audited consolidated financial statements of the Company for the financial years ended June 30, 2018, and March 31, 2017, and the auditor's reports thereon and the management's discussion and analysis ("MD&A") for the financial years ended June 30, 2018, and March 31, 2017, will be placed before the Meeting for consideration by the Shareholders. The Board has approved the financial statements of the Company, the auditor's report thereon, and the MD&A, as such no Shareholders' vote needs to be taken thereon at the meeting. The financial statements and MD&A are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Appointment and Remuneration of Auditor**

Shareholders will be asked at the Meeting to approve the appointment of Smythe LLP, Chartered Professional Accountants, of 355 Burrard Street, 7<sup>th</sup> Floor, Vancouver, British Columbia, as auditor of the Company to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the directors. Smythe LLP was appointed as the Company's auditor on March 22, 2018.

**In the absence of instructions to the contrary, a properly executed and returned proxy will be voted for the appointment of Smythe LLP as auditor of the Company until the next annual general meeting of the Shareholders and to authorize the directors to fix the auditor's remuneration.**

### **Number of Directors**

Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of directors of the Company at four for the ensuing year. The Board of Directors recommends a vote "FOR" the approval of the resolution setting the number of directors at four. **In the absence of instructions to the contrary, a properly executed and returned proxy will be voted "FOR" the approval of the resolution setting the number of directors at four.**

### **Election of Directors**

The directors of the Company are elected at each annual general meeting of Shareholders and each holds office until the next annual general meeting of the Shareholders or until his successor is elected or appointed or unless he becomes disqualified under the *Business Corporations Act* (British Columbia) to act as a director.

Each of the persons named in the following table are proposed for nomination for election as a director of the Company. The Board of Directors recommends a vote "FOR" each of the nominees listed below. **In the absence of instructions to the contrary, a properly executed and returned proxy will be voted "FOR" the proposed directors set out below.** Management does not contemplate that any of the proposed directors will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the name of each proposed director, the province or state and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as of the date of this Information Circular:

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation during past five years <sup>(1)</sup>	Date became a Director	Number of common shares beneficially owned or controlled or directed, directly or indirectly <sup>(1)</sup>
Grant Ewing <sup>(2)</sup> British Columbia, Canada CEO, President and Director	Professional Registered Geologist; Vice President Exploration of AuRico Metals Inc. (March 2017-January 2018); President and CEO of Kiska Metals Corporation (May 2014-March 2017); President and CEO of Acadian Mining Corporation (June 2010-March 2014).	January 29, 2018	2,100,000
Gunther Roehlig <sup>(2)</sup> British Columbia, Canada Director	Chief Executive Officer, President and director of Broome Capital Inc.; Director of Zinc One Resources Inc.; Director of Hello Pal International Inc.; Director of Plymouth Realty Capital Corp.; Director of Yuntone Capital Corp.; Chief Executive Officer, President and Director of Darien Business Development Corp.	March 13, 2017	100,000
Charles Hethey <sup>(2)</sup> British Columbia, Canada Director	Lawyer; partner at O'Neill Law Corporation.	March 13, 2017	153,334
Christopher Little British Columbia, Canada Director	Lawyer, President of Little Law Corporation (January 2018-present); Associate at Bacchus Law Corporation (March 2009-December 2017).	September 25, 2018	40,000

Notes:

- (1) The information as to principal occupation and number of common shares beneficially owned or controlled, not being within the knowledge of the Company, has been furnished by the respective proposed directors themselves. Unless otherwise indicated, such shares are held directly.
- (2) Denotes members of the Audit Committee.

There is no executive committee of the board of directors.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, no proposed director of the Company is, as of the date of this Information Circular or was within ten years before the date thereof, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that:

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

No proposed director of the Company:

- (a) is, as of the date of this Information Circular or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial 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) has, within ten years before the date as of the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### Penalties or Sanctions

No proposed director of the Company 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 securityholder in deciding whether to vote for a proposed director.

The foregoing, not being within the knowledge of the Company, has been furnished by the respective proposed directors themselves.

#### **Approval and Adoption of the New Option Plan**

The Board of Directors does not believe that the existing stock option plan meets the level of sophistication required by the Company. Accordingly, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving the adoption of the New Option Plan.

The purpose of the New Option Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company, to increase their efforts on behalf of the Company and to attract new directors, employees and consultants to the Company.

The following information is intended as a brief description of the New Option Plan and is qualified in its entirety by the full text of the New Option Plan, which is attached to this Information Circular as Schedule "B" and will be available for review at the Meeting and at the Company's head office located at Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia for 10 business days prior to the Meeting, during business hours.

1. Eligible Participants. Options may be granted under the New Option Plan to directors or officers of the Company or an affiliate of the Company (in this section collectively, the "Directors"), employees of the Company or a subsidiary of the Company (in this section collectively, the "Employees"), consultants of the Company or a subsidiary or affiliate of the Company (in this section collectively, the "Consultants"), or an Eligible Charitable Organization (as defined in the New Option Plan). The Board of Directors, in its discretion, determines which of the Directors, Employees, Consultants or Eligible Charitable Organizations will be awarded options under the New Option Plan.
2. Number of Shares Reserved. The number of common shares in the capital of the Company which may be issued pursuant to options granted under the New Option Plan may not exceed 10% of the issued and outstanding common shares at the date of granting of options (including all options

granted by the Company prior to the adoption of the New Option Plan and thereunder). Options which are cancelled or expire prior to exercise continue to be issuable under the Stock Option Plan.

3. Term of Options. Subject to the termination and change of control provisions noted below, the terms of any option granted under the New Option Plan is determined by the Board and may not exceed ten years from the date of grant.
4. Exercise Price. The exercise price of options granted under the Stock Option Plan is determined by the Board, provided that it is not less than the Discounted Market Price, as that term is defined under applicable TSX-V policies or such other minimum price as is permitted by the Exchange in accordance with the policies, as amended from time to time, or, if the common shares are no longer listed on the TSX-V, then such other exchange or quotation system on which the common shares are listed or quoted for trading. The exercise price of options granted to insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.
5. Limitations. For so long as the Company's common shares are listed on the TSX-V, the number of common shares, calculated at the date such options are granted, reserved for issuance to:
  - (a) any one option holder pursuant to options granted to such option holder during any 12 month period shall not exceed 5% of the issued and outstanding common shares of the Company;
  - (b) any one option holder, who is a Consultant, in respect of options granted to such Consultant during any 12 month period shall not exceed 2% of the issued and outstanding common shares of the Company;
  - (c) all option holders who are engaged or employed in Investor Relations Activities, as defined under applicable TSX-V policies, during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding common shares of the Company; and
  - (d) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding shares of the Company.
6. Vesting. Subject to the vesting and change of control provisions noted below, all options granted pursuant to the Stock Option Plan will be subject to such vesting requirements as may be prescribed by the TSX-V, if applicable, or as may be imposed by the Board of Directors. If the option holder is a Consultant providing investor relations services any option granted to the Consultant under the Stock Option Plan must vest in stages over at least 12 months with no more than one quarter of the option vesting in any three-month period.
7. Termination of Options. Any options granted pursuant to the New Option Plan will terminate upon the earliest of:
  - (a) the end of the term of the option;
  - (b) if the termination is as a result of dismissal for cause, the date of such termination for just cause;
  - (c) where an optionee's position as an Employee, Consultant or Director terminates for a reason other than the optionee's death or termination for just cause, 90 days after such date of termination;
  - (d) if the termination is as a result of the optionee's death, then such options may be exercisable by the legal heirs or personal representatives of the optionee for a period to be determined by the Board of Directors, which date shall not be less than three months and not more than six months from the date of death;
  - (e) the date of any sale, transfer, assignment or hypothecation or any attempted sale, transfer, assignment or hypothecation, of such option in violation of the New Option Plan; or
  - (f) the occurrence of a Termination Event (as defined under the New Option Plan).

The Board of Directors may from time to time amend or terminate the New Option Plan or any options granted thereunder, provided that no such amendment or termination may be made (except with the written consent of the holders of options under the New Option Plan concerned or unless required to make the New Option Plan or the options granted thereunder comply with the rules and policies of the TSX-V) that affects the terms and conditions of options granted under the New Option Plan which have not been exercised or terminated.

The New Option Plan does not permit stock options to be transformed into stock appreciation rights.

Assuming the New Option Plan receives approval by the Shareholders, and subject to final acceptance by the TSX-V, the Company's existing stock option plan will terminate and the outstanding options issued pursuant to the existing stock option plan will thereafter be governed by the New Option Plan. Any options granted pursuant to the New Option Plan will not require further Shareholder or TSX-V approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Company.

Shareholders will be asked at the Meeting to consider, and if thought fit, to approve an ordinary resolution approving and ratifying the New Option Plan as follows:

“BE IT RESOLVED THAT:

1. The Company's new form of stock option plan (the “Plan”) made available to Shareholders for review before and at the Annual General Meeting to be held on October 31, 2018, be and is hereby approved, confirmed and ratified, in substitution of, and to the exclusion of, the existing stock option plan and subject to the acceptance of the Plan by the TSX Venture Exchange (the “Exchange”); and
2. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the Plan.”

The New Option Plan requires approval by a majority of the votes cast by Shareholders present in person or by proxy at the Meeting.

The Board of Directors recommends a vote “FOR” the approval of the resolution approving and ratifying the New Option Plan. **In the absence of instructions to the contrary, a properly executed and returned proxy will be voted “FOR” the approval of the resolution approving and ratifying the New Option Plan.**

#### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgement on such matter, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) under “Issuer Profiles – New Energy Metals Corp. The Company's financial information is provided in the Company's comparative financial statements and related management's

discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company's financial statements and related management's discussion and analysis for the financial year ended June 30, 2018 by contacting the Company by mail at Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3, attention: Corporate Secretary or by telephone: 604-484-1233 Ext. 3886.

DATED this 28<sup>th</sup> day of September, 2018.

ON BEHALF OF THE BOARD OF DIRECTORS

*/s/ Grant Ewing*

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GRANT EWING,  
Chief Executive Officer, President and director

## **SCHEDULE "A"**

### **Audit Committee Charter**

#### **I. MANDATE**

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of New Energy Metals Corp. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and
4. The performance of the Company's internal accounting procedures and Auditor.

#### **II. STRUCTURE AND OPERATIONS**

##### **A. Composition**

The Committee shall be comprised of three or more members.

##### **B. Qualifications**

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

##### **C. Appointment and Removal**

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

##### **D. Chair**

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

##### **E. Meetings**

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

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

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

### **III. DUTIES**

#### **A. Introduction**

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

#### **B. Powers and Responsibilities**

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

##### *Independence of Auditor*

- 1) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
- 2) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 3) Require the Auditor to report directly to the Committee.
- 4) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

##### *Performance & Completion by Auditor of its Work*

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

*Internal Financial Controls & Operations of the Company*

1. Establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Preparation of Financial Statements*

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - 5) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
  - 6) The management inquiry letter provided by the Auditor and the Company's response to that letter.
  - 7) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

*Public Disclosure by the Company*

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

*Manner of Carrying Out its Mandate*

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but 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.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

**C. Limitation of Audit Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

**SCHEDULE "B"**  
**New Option Plan**

See attached.

**NEW ENERGY METALS CORP.**

**STOCK OPTION PLAN**

*Approved by Shareholders on \_\_\_\_\_, 2018*

## PART I INTERPRETATION

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

"**Administrator**" has the meaning ascribed thereto in Section 3.1 hereof;

"**Affiliate**" means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same Person;

"**Applicable Laws**" means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

"**Associate**" means, where used to indicate a relationship with any Person:

- (a) any relative, including the spouse, son or daughter, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person;
- (b) any partner, other than a limited partner, of that Person;
- (c) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity; or
- (d) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than ten percent of the voting rights attached to all outstanding voting securities of the corporation;

"**Board**" means the Board of Directors of the Corporation;

"**Blackout Period**" means a period during which an Optionee is restricted by the Corporation from trading in the Corporation's securities pending the dissemination of previously undisclosed material information;

"**Charitable Organization**" has the meaning as ascribed thereto in the Tax Act;

"**Committee**" means a committee of the Board appointed in accordance with Section 3.2 hereof;

"**Corporation**" means New Energy Metals Corp. and its Affiliates;

"**Consultant**" means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company, that:

- (a) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between the Corporation or an Affiliate and the individual or the company, as the case may be;
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and

- (d) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation;

**"Date of Grant"** means the date on which a grant of an Option is effective;

**"Director"** means a director of the Corporation or an Affiliate;

**"Disability"** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity;

**"Discounted Market Price"** has the meaning ascribed thereto in the Exchange Policies;

**"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a shareholders' meeting other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) shall be given full voting rights on a resolution which requires disinterested shareholder approval;

**"Eligible Charitable Organization"** means:

- (a) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or
- (b) a Registered National Arts Services Organization;

**"Employee"** means:

- (a) an individual who is considered an employee of the Corporation or its subsidiary under the Tax Act (and for whom income tax, employment insurance and CPP deductions must be made at source);
- (b) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Corporation 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 Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;

**"Exchange"** means the TSX Venture Exchange, or any other stock exchange on which the Corporation's Shares are listed for trading;

**"Exchange Policies"** mean the policies set forth in the Exchange's Corporate Finance Manual, as amended from time to time or, as applicable, the policies of any such stock exchange on which the Corporation's Shares are listed for trading, from time to time;

**"Guardian"** means the guardian, if any, appointed for an Optionee;

**"Insider"** means:

- (a) a director or senior officer of the Corporation;
- (b) a director or senior officer of an entity that is itself an insider or subsidiary of the Corporation;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; or
- (d) the Corporation itself if it holds any of its own securities;

**"Investor Relations Activities"** has the meaning ascribed thereto in the Exchange Policies;

**"Management Company Employee"** means an individual employed by a Person providing management services to the Corporation (other than Investor Relations Activities), which are required for the ongoing successful operation of the business of the Corporation;

**"Offer"** has the meaning ascribed thereto in Section 10.3 hereof;

**"Officer"** means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Corporation or its subsidiaries, and includes a Management Company Employee that provides the services of such Officer;

**"Option"** means an option to purchase Shares granted pursuant to the provisions of this Plan;

**"Option Agreement"** means a written agreement between the Corporation and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which shall be in substantially the form attached hereto as Schedule "A";

**"Option Price"** means the price at which an Option to purchase Shares is exercisable;

**"Option Shares"** has the meaning ascribed thereto in Section 10.3 hereof;

**"Optionee"** means the recipient of an Option granted by the Corporation;

**"Person"** means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

**"Plan"** means this stock option plan of the Corporation, as amended from time to time;

**"Private Foundation"** has the meaning as ascribed thereto in the Tax Act;

**"Public Foundation"** has the meaning as ascribed thereto in the Tax Act;

**"Registered Charity"** has the meaning as ascribed thereto in the Tax Act;

**"Registered National Arts Services Organization"** has the meaning as ascribed thereto in the Tax Act;

**"Securities Act"** means the *Securities Act* (British Columbia), as amended from time to time;

"**Shares**" means the common shares without par value in the capital of the Corporation;

"**Successor**" means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time;

"**Term**" means the period of time during which an Option is exercisable; and

"**Terminating Event**" means:

- (a) the dissolution or liquidation of the Corporation; or
- (b) a material change in the capital structure of the Corporation that is deemed to be a Terminating Event pursuant to Sections 10.1 or 10.6 hereof.

## **PART 2 ESTABLISHMENT AND PURPOSE OF THE PLAN**

2.1 Establishment of the Plan. The Corporation hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to eligible Optionees. The Plan is designed to be a "rolling" stock option plan under Exchange Policies, reserving at any one time a maximum of 10% of the issued Shares of the Corporation for the exercise of Options.

2.2 Principal Purposes. The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract new Directors, Officers, Employees and Consultants to the Corporation.

2.3 Benefit to Shareholders. This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of the highest caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

## **PART 3 ADMINISTRATION**

3.1 Board or Committee. This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the "Administrator".

3.2 Appointment of Committee. The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.

3.3 Quorum and Voting. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee who are disinterested

Persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no such member shall act upon the granting of an Option to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to him).

3.4 Powers of Administrator. Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:

- (a) administer this Plan in accordance with its express terms;
- (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
- (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;
- (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
- (e) determine the duration and purposes of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
- (f) do the following with respect to the granting of Options:
  - (i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement);
  - (iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:
    - (A) the consent of the Optionee; and
    - (B) if applicable, the approval of the Exchange and/or Disinterested Shareholder Approval;
  - (iv) determine when Options shall be granted;
  - (v) determine the Option Price of each Option; and
  - (vi) determine the number of Shares subject to each Option; and
- (g) make all other determinations necessary or advisable for administration of this Plan.

3.5 Obtain Regulatory Approvals. In administering this Plan, the Administrator shall obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.

3.6 Annual Shareholder Approval. This Plan must receive approval of the Corporation's shareholders annually at the Corporation's annual general meeting. Evidence that the majority of the shareholders are in favour of a proposal to approve the Plan or any amendment thereto is not sufficient.

3.7 Administration by Administrator. All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Corporation and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

#### **PART 4 ELIGIBILITY**

4.1 General Eligibility. Options may be granted to an Eligible Charitable Organization or a Director, Officer, Employee or Consultant of the Corporation or its subsidiary at the time the Option is granted. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan.

4.2 No Violation of Laws. No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.

4.3 Optionees to be Named. No Options shall be granted unless and until the Options have been allocated to a particular Optionee(s).

#### **PART 5 SHARES SUBJECT TO THIS PLAN**

5.1 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Corporation's issued and outstanding shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 10 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Corporation prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options.

5.2 Sufficient Authorized Shares to be Reserved. If the constating documents of the Corporation limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.

5.3 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;
- (b) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;
- (c) the issuance to any one Optionee, within any 12 month period, of an aggregate number of Options exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;

- (d) any individual Option grant that would result in any of the limitations set out in Sections 5.3 (a), (b) or (c) being exceeded; or
- (e) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such Person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the Person was not an Insider.

5.4 Number of Shares Subject to this Plan. Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.

5.5 Expiry of Option. If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

## **PART 6 TERMS AND CONDITIONS OF OPTIONS**

6.1 Option Agreement. Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:

- (a) the number of Shares subject to purchase pursuant to such Option;
- (b) the Date of Grant;
- (c) the Term;
- (d) the Option Price;
- (e) the Option is not assignable or transferable; and
- (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan.

6.2 Exchange Restrictions of Reservations. Notwithstanding any other provision hereof, for so long as the Shares are listed on the Exchange, the number of Shares reserved for issuance to:

- (a) any one Optionee pursuant to Options granted to such Optionee during any 12 month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (b) any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (c) all Optionees who are engaged or employed in Investor Relations Activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Shares, calculated at the date such Options are granted; and
- (d) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Corporation, calculated at the date such Options are granted.

6.3 Exercise Price. The Option Price shall not be less than the Discounted Market Price, provided that (i) if the Corporation has just been recalled for trading following a suspension or halt, the Corporation must wait until a satisfactory market has been established before setting the exercise price for and granting of the Options (generally ten days from the date of resumption of trading); (ii) a minimum price cannot be established unless the Options are allocated to particular Optionees; and (iii) if Options are granted within 90 days of a distribution of securities by way of a prospectus, the minimum exercise price of those Options shall be the greater of the Discounted Market Price and the prospectus offering price (the 90 day period to be calculated from the date a final receipt is issued for the prospectus).

6.4 Maximum Term of Ten Years. Subject to Section 6.5, the maximum Term of an Option granted shall be ten years from the Date of Grant.

6.5 Blackout Period. The Term of an Option shall be automatically extended if the expiry date falls within a Blackout Period provided that: (i) the Blackout Period is imposed by the Corporation pursuant to its internal trading policies as a result of the *bona fide* existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the extension is not more than ten days from the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Corporation or Optionee is also subject to a cease trade order or similar trading restriction.

6.6 Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the date it is granted.

Notwithstanding the foregoing, for Options granted to Optionees who provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

<b>Vesting Period</b>	<b>Percentage of Total Option Vested</b>
3 Months after Date of Grant	25%
6 Months after Date of Grant	50%
9 Months after Date of Grant	75%
12 Months after Date of Grant	100%

6.7 Acceleration of Vesting. The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion.

6.8 Hold Periods. In addition to any resale restrictions under any Applicable Laws, if the Option Price is set at a discount to the Market Price (as defined in Exchange Policies), the Option Agreements and the certificates representing any Shares realized on the exercise thereof shall bear the following legend:

WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [insert date that is four months and one day after the grant of the Options].

6.9 Form for Non-Individuals. If a proposed Optionee is a corporation or is otherwise not an individual, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*, or any amended or replacement form.

6.10 Bona Fide Optionee. By execution of an Option Agreement, the Optionee represents that he, she or it is a *bona fide* Director, Officer, Employee or Consultant, as the case may be. It shall be the joint responsibility of the Corporation and the Optionee that the Optionee is and shall remain a *bona fide* Employee, Consultant or Management Company Employee.

## **PART 7 EXERCISE OF OPTION**

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Part 6 hereof, an Optionee may exercise an Option, prior to 4:00 p.m. (Vancouver time) on the expiry date thereof, by giving written notice thereof (in substantially the form attached hereto as Schedule "B") to the Corporation at its principal place of business or as otherwise indicated by the Corporation in writing.

7.2 Payment of Option Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Option Price to the extent the Option is so exercised, and full payment of any amounts the Corporation determines must be withheld for tax purposes from the Optionee pursuant to the Option Agreement. Such payment shall be in lawful money (Canadian funds) by bank draft or by certified cheque. Delivery of the Optionee's certified cheque or bank draft made payable to the Corporation in the amount of the Option Price shall constitute payment of the Option Price unless the certified cheque is not honoured upon presentation for any reason, in which case the Option shall not have been validly exercised.

7.3 Issuance of Stock Certificate. As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Corporation shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

7.4 Monitoring Trading. An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Corporation, within five business days of each trade.

## **PART 8 TRANSFERABILITY OF OPTIONS**

8.1 Non-Transferable. Except as provided otherwise in this Part 8, Options are non-assignable and non-transferable.

8.2 Death of Optionee. If an Optionee should die while any Options remain outstanding in his name, such Options shall pass to the Successor of the Optionee and shall be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than 12 months from the date of death.

8.3 Disability of Optionee. If the employment of an Optionee as an Employee or Consultant of the Corporation, or the position of an Optionee as a Director or Officer, is terminated by the Corporation by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of employment shall be exercisable by such Optionee, or by his Guardian, for a period of 90 days following the termination of employment of such Optionee.

8.4 Vesting. Options held by a Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 Majority Agreement. If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.

8.6 Deemed Non-Interruption of Employment. Employment shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to re-employment with the Corporation is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's re-employment is not so guaranteed, then his or her employment shall be deemed to have terminated on the 91st day of such leave.

## **PART 9 TERMINATION OF OPTIONS**

9.1 Termination of Options. To the extent not earlier exercised or terminated, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer is terminated for just cause, the date of such termination for just cause;
- (c) where the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's death or termination for just cause, 90 days after such date of termination;
- (d) where the Optionee's position as an Employee, Consultant, Director or Officer terminates as a result of the Optionee's death, such Options may be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death;
- (e) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 hereof; and
- (f) the date specified in Section 10.6 hereof for such termination in the event of a Terminating Event.

## **PART 10 ADJUSTMENTS TO OPTIONS**

10.1 Alteration of Capital. In the event of any material change in the outstanding Shares of the Corporation prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the Option Price of such shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Corporation

is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan.

10.2 No Fractions. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.

10.3 Effect of a Take-Over Bid. Subject to Applicable Laws, if a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Corporation generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Corporation, within the meaning of Section 1(1) of the Securities Act, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon the Option may be exercised in whole or in part by the Optionee (regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time) so as to permit the Optionee to tender the Shares received upon such exercise (in this Section 10.3, the "**Option Shares**"), pursuant to the Offer. However, if:

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

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised. If any Option Shares are returned to the Corporation under this Section 10.3, the Corporation shall immediately refund the exercise price to the Optionee for such Option Shares.

10.4 Terminating Events. Subject to Section 10.5 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.

10.5 Notice of Terminating Event. The Administrator shall give notice to Optionees not less than 30 days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

10.6 General Offer for Shares. Notwithstanding anything else herein to the contrary and subject to Applicable Laws, in the event of: (i) a sale of all or substantially all of the assets of the Corporation; or (ii) the sale, pursuant to an agreement with the Corporation, of securities of the Corporation pursuant to which the Corporation is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Corporation shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period shall immediately terminate and such event shall be deemed to be a Terminating Event.

10.7 Determinations to be made by Administrator. Adjustments and determinations under this Part 10 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

## **PART 11 TERMINATION AND AMENDMENT OF PLAN**

11.1 Termination of Plan. The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to Section 10.1. The Administrator may terminate this Plan at such other time and on such conditions as the Administrator may determine, provided that no such termination shall be effected if doing so would affect the rights of then existing Optionees, without the approval of such Optionees.

11.2 Power of Administrator to Amend Plan. The Administrator may, subject to the approval of the Exchange, amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Corporation to comply with or to avail the Corporation and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

Notwithstanding the above, the Corporation may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval, provided that: (i) the Corporation also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments; (ii) no Options granted under the amendments are exercised prior to shareholder approval; and (iii) shareholder approval is obtained on or before the earlier of the Corporation's next annual general meeting or 12 months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments shall terminate and any Options granted thereunder shall terminate.

11.3 Shareholder Approvals. Any shareholder approval required to amend this Plan must take place at a meeting of the shareholders. Evidence that the majority of the shareholders are in favour of a proposal to approve any amendment thereto is not sufficient.

11.4 No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

## **PART 12 CONDITIONS PRECEDENT TO ISSUANCE OF SHARES**

12.1 Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Corporation with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Corporation of any liability with respect to the non-issuance or sale of such Shares.

12.2 Representations by Optionee. As a condition precedent to the exercise of any Option, the Corporation may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if,

in the opinion of counsel for the Corporation, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Corporation, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. THE CORPORATION HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS IN THE UNITED STATES OR ANY OTHER JURISDICTION OUTSIDE OF CANADA.

12.3 Tax Withholding. The Optionee shall hold harmless the Corporation and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, provincial, local and foreign withholding taxes, determined as a result of and upon exercise of an Option or from a transfer or other disposition of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

### **PART 13 NOTICES**

13.1 Notices. All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) facsimile transmission or by electronic mail, in which case notice shall be deemed to have been duly given on the date the fax or email is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

### **PART 14 MISCELLANEOUS PROVISIONS**

14.1 No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

14.2 No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Corporation to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation to change the terms or conditions of the Optionee's employment or engagement with the Corporation, including the Optionee's compensation.

14.3 Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

14.4 Conflict. In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

14.5 Governing Law. The laws of the Province of British Columbia shall apply to this Plan and all rights and obligations hereunder shall be determined in accordance with such laws.

14.6 Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

APPROVED BY THE BOARD OF DIRECTORS on October \_\_\_\_, 2018.

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Grant Ewing  
President, CEO and Director

**SCHEDULE "A"**

**NEW ENERGY METALS CORP.**

**OPTION AGREEMENT**

*The Option granted herein is not assignable or transferable by the Optionee. Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until four months and one day after the Grant Date.*

This Option Agreement is entered into between NEW ENERGY METALS CORP. (the "Corporation") and the Optionee named below pursuant to the Corporation's stock option plan, in effect from time to time (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on \_\_\_\_\_, \_\_\_\_\_ (the "Grant Date");
2. \_\_\_\_\_ (the "Optionee");
3. was granted the option (the "Option") to purchase \_\_\_\_\_ Common Shares (the "Option Shares") of the Corporation;
4. at the price (the "Option Price") of \$\_\_\_\_\_ per Option Share;
5. which shall / shall not [*select*] be exercisable (as fully vested) from the Grant Date / in accordance with Section 6.6 of the Plan [*applicable if the Optionee is a person who performs Investor Relations Activities for the Corporation*] / in increments as follows [*select*]:

Date	Total Number of Options Vested
●	●

6. shall expire on \_\_\_\_\_, 20\_\_\_\_ (the "Expiry Date"); and
7. ● [*insert other terms or conditions*],

all on the terms and subject to the conditions set out in the Plan.

By receiving and accepting the Options, the Optionee:

- (a) confirms that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;
- (b) consents to the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Corporation; and
- (c) consents to the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**NEW ENERGY METALS CORP.**

**[NAME OF OPTIONEE]**

Per:

\_\_\_\_\_  
Authorized Signatory

**SCHEDULE "B"**  
**NEW ENERGY METALS CORP.**  
**Stock Option Plan**  
**EXERCISE NOTICE**

TO: New Energy Metals Corp.  
Suite 2300, 1177 West Hastings Street  
Vancouver, British Columbia, V6E 2K3

RE: Exercise of Options

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The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of NEW ENERGY METALS CORP. (the "Corporation"), of the exercise of the Option to acquire and hereby subscribes for (check applicable item):

- all of the Option Shares; or
- certain of the Option Shares which are the subject of the option certificate attached hereto.

Calculation of total Option Price:

(i) number of Option Shares to be acquired on exercise: \_\_\_\_\_ Option Shares

(ii) times the Option Price per Option Share: \$ \_\_\_\_\_

Total Option Price, as enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft for the total Option Price, payable to the Corporation, and directs the Corporation to issue the share certificate evidencing the Option Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All capitalized terms, unless otherwise defined in this exercise notice, shall have the meaning provided in the Plan.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (Print)