



**OLIVE RESOURCE CAPITAL INC.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JULY 12, 2023**

Dated May 26, 2023

## OLIVE RESOURCE CAPITAL INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Olive Resource Capital Inc. (the “**Corporation**”) will be held at 130 King Street West, Suite 3680, Toronto, Ontario, M5X 1B1 on July 12, 2023 at 11:00 a.m. (EDT), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the financial year ended December 31, 2022 and the report of the auditors thereon;
2. to appoint McGovern Hurley LLP, Chartered Accountants as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Corporation for the ensuing year;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve, for the ensuing year, the Corporation’s long-term performance incentive plan last approved by the Shareholders on October 7, 2022; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular of the Corporation (the “**Circular**”) under the section entitled *Matters to be Acted Upon*.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is May 26, 2023 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

**In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, Shareholders, employees and other stakeholders, we are inviting Shareholders to participate in the Meeting by dialling in to our conference line at: 1-866-365-4406 (North America – Toll Free) or 647-723-3984 (Toronto, ON), followed by the Participant Access Code 8487744#. Participants should dial in at least 10 minutes prior to the scheduled start time and ask to join the call. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. We encourage Shareholders to not attend the meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxy holders entitled to attend and vote at the Meeting. Shareholders cannot vote their common shares at the Meeting if attending via teleconference and must either vote prior to the Meeting or attend the Meeting in person in order to have their vote cast. We highly recommend Shareholders vote their Common Shares prior to the meeting.**

**All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting in person, or any adjournments or postponements thereof, are requested to complete, date and sign the enclosed form of proxy (registered holders) or voting instruction form (beneficial holders) and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed or faxed so as to reach or be deposited with Marrelli Trust Company Limited (in the case of registered holders) at 82 Richmond St. E, Toronto, Ontario M5C 1P1, Attn: Proxy Department, Fax: 416-360-7812, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. Proxies may also be voted online at [www.voteproxy.ca](http://www.voteproxy.ca).**

## NOTICE-AND-ACCESS

Notice is also hereby given that the Corporation has decided to use the notice-and-access method of delivery of meeting materials for the Meeting for beneficial owners of common shares of the Corporation (the "**Non-Registered Holders**") and for registered shareholders. The notice-and-access method of delivery of meeting materials allows the Corporation to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, registered shareholders will receive a form of proxy and the Non-Registered Holders will receive a voting instruction form enabling them to vote at the Meeting. However, instead of a paper copy of the notice of Meeting, the management information circular, and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**"), shareholders receive a notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing the Meeting Materials to shareholders. Shareholders are reminded to view the Meeting Materials prior to voting. The Corporation will not be adopting stratification procedures in relation to the use of notice-and access provisions.

### **Websites Where Meeting Materials Are Posted:**

Meeting Materials can be viewed online under the Corporation's profile at [www.sedar.com](http://www.sedar.com) or at [www.marrellitrust.ca/olive-notice-access2023/](http://www.marrellitrust.ca/olive-notice-access2023/). The Meeting Materials will remain posted on the website of Marrelli Trust Company Limited at least until the date that is one year after the date the Meeting Materials were posted.

### **How to Obtain Paper Copies of the Meeting Materials**

Shareholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning notice-and-access, please call the Corporation's transfer agent and registrar, Marrelli Trust Company Limited, toll-free at 1-844-682-5888. Requests should be received by 10:00 a.m. (Eastern time) on June 28, 2023 in order to receive the Meeting Materials in advance of the Meeting.

**DATED** this 26<sup>th</sup> day of May, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
OLIVE RESOURCE CAPITAL INC.**

"Samuel Pelaez"  
Samuel Pelaez  
President, Director, Chief Executive Officer

**OLIVE RESOURCE CAPITAL INC.  
MANAGEMENT INFORMATION CIRCULAR**

**GENERAL INFORMATION RESPECTING THE MEETING**

**Solicitation of Proxies**

This management information circular of the Corporation (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Olive Resource Capital Inc. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Corporation to be held at 11:00 a.m. (Toronto time) on July 12, 2023, at 130 King Street West, Suite 3680, Toronto, Ontario, M5X 1B1 for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the “Notice”). References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of the Corporation (the “Board” or the “Board of Directors”) has fixed the close of business on May 26, 2023 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. The Board has resolved that duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, Marrelli Trust Company Limited (“Marrelli Trust”), 82 Richmond St. E, Toronto, Ontario M5C 1P1, Fax: 416-360-7812 or online at [www.voteproxy.ca](http://www.voteproxy.ca), not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of May 26, 2023.

**Notice-And-Access**

The Corporation has elected to use the notice-and-access process (“Notice-and-Access”) that came into effect on February 11, 2013 under NI 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”) and National Instrument 51-102 – Continuous Disclosure Obligations, for distribution of this Circular and other meeting materials to registered Shareholders of the Corporation and Non-Registered Holders (as defined herein).

Notice-and-Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. The Corporation anticipates that utilizing the Notice-and-Access process will substantially reduce both postage and printing costs.

Meeting materials including the Circular and the Corporation’s audited financial statements for the years ended December 31, 2022 and 2021 and the Corporation’s management discussion and analysis for the years ended December 31, 2022 and 2021 are available on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and on the website of the Corporation’s transfer agent at [www.marrellitrust.ca/olive-notice-access2023](http://www.marrellitrust.ca/olive-notice-access2023).

Although the Circular and related materials (collectively, the “Meeting Materials”) will be posted electronically online, as noted above, the registered Shareholders and Non-Registered Holders (subject to the provisions set out below under the heading “Notice to Beneficial Holders of Shares”) will receive a “notice package” (the “Notice-and-Access Notification”), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Shareholders are reminded to review the Circular before voting.

Shareholders will not receive a paper copy of the Meeting Materials unless they request paper copies from the Corporation's transfer agent. Shareholders who wish to request paper copies or who have questions regarding Notice and Access may contact the Corporation's registrar and transfer agent, Marrelli Trust at 1-844-682-5888 or info@marrellitrust.ca.

### **Voting of Proxies**

The common shares in the capital stock of the Corporation ("**Common Shares**") represented by the form of proxy delivered to registered Shareholders (if same is properly executed and is received at the offices of Marrelli Trust at the address provided herein, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** At the time of the filing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### **Appointment of Proxies**

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Marrelli Trust, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Marrelli Trust, 82 Richmond St. E, Toronto, Ontario M5C 1P1;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Marrelli Trust, 82 Richmond St. E, Toronto, Ontario M5C 1P1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Notice to Beneficial Holders of Shares**

Only registered Shareholders or proxyholders duly appointed by registered Shareholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are “non-registered” shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only registered Shareholders are entitled to vote at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers’ clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge well in advance of the Meeting) in order to have the Common Shares voted.

The Notice-and-Access Notification is being sent to both registered Shareholders and indirectly to Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). The Corporation is sending proxy related materials directly to NOBOs and is paying for delivery by intermediaries to OBOs.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.

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

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value (the "**Common Shares**"). As at the date hereof, there are 111,768,709 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at May 26, 2023 (the "**Record Date**"). All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation's transfer agent, Marrelli Trust, within the time specified in the Notice, to attend and to vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's Executive Chairman, Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Corporation (the "**NEOs**" or "**Named Executive Officers**"). The only NEOs of the Corporation during the financial year ended December 31, 2022 (the "**Last Financial Year**") were Samuel Pelaez, President, Director, Chief Executive Officer and Chief Investment Officer, and Carmelo Marrelli, the Chief Financial Officer.

### *Compensation Committee*

The compensation committee of the Board (the "**Compensation Committee**") is currently comprised of three directors, namely David Regan (Chairman), Evelyn Foo and Jeffrey Singer, all of whom are independent within the meaning of Canadian Securities Administrator's National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Mr. Singer holds an MBA degree and has over 25 years of experience in the asset management industry. Mr. Regan also holds an MBA degree and has had an extensive career in business operations, management consulting and financial services. Mrs. Foo is CA, CPA, and a financial services professional with deep and broad experience in all aspects of the asset management industry. The Company is of the opinion that these three directors' extensive and varied experience enables them to effectively judge and make decisions about the suitability of the Company's compensation policies and practices, taking into account both general market trends and best practices and the specificities of the mining industry.

The Compensation Committee's purpose is, among other things, to: (i) review and make recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans (including the Corporation's long-term performance incentive plan (the "**LTIP**") and grants, and benefit plans; (ii) have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention; (iii) review and approve at least annually all compensation arrangements with the senior executives of the Corporation; (iv) review and approve at least annually all compensation arrangements with the directors of the Corporation; and (v) review the executive

compensation sections disclosed in the Corporation’s management proxy circular distributed to the Shareholders in respect of the Corporations annual meetings of Shareholders.

***Compensation Process and Governance***

The Board relies on the knowledge and experience of the directors thereon and the members of the Compensation Committee to set appropriate levels of compensation for senior officers. Neither the Corporation nor the Board, nor the Compensation Committee currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer compensation.

The Compensation Committee reviews the various elements of the NEOs’ compensation in the context of the total compensation package (including salary, consulting fees and prior awards under the Corporation’s long-term performance incentive plan) and recommends to the Board the NEOs’ compensation packages. The Compensation Committee’s recommendations regarding NEO compensation are presented to the independent members of the Board for their consideration and approval.

**Principles/Objectives of the Compensation Program**

The primary goal of the Corporation’s executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation’s senior officers is determined with regard to the Corporation’s business strategy and objectives and financial resources, and with the view of aligning the financial interests of the senior officers with the financial interests of the shareholders of the Corporation.

**Compensation Program Design and Analysis of Compensation Decisions**

Standard compensation arrangements for the Corporation’s senior officers are composed of the following elements, which are linked to the Corporation’s compensation and corporate objectives as follows:

<b>Compensation Element</b>	<b>Link to Compensation Objectives</b>	<b>Link to Corporate Objectives</b>
Base Salary and/or Consulting Fees	Attract and Retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Management Bonuses	Motivate, Retain and Reward	Management bonuses, which are determined as described below, motivate the CEO and Executive Chairman to increase the Company’s retained earnings year over year, thereby maintaining the Company’s financial health and increasing shareholder value in both the immediate and long term.
Compensation Securities	Motivate and Reward Align interests with shareholders	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

**Performance and Compensation**

The Corporation is a resource-focused merchant bank and investment company with a portfolio of publicly listed and private securities. The Company’s assets consist primarily of investments in natural resource companies in all stages of development. The compensation of senior officers is based upon portfolio performance, and indirectly, on trends in the mineral exploration and development industry as well as achievement of the Corporation’s business plans. The Board did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

### ***Base Salaries and Consulting Fees***

The Corporation provides senior officers with base salaries or consulting fees which represent their minimum compensation for services rendered or expected to be rendered. NEOs' base compensation depends on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and competitive practices, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Compensation Committee.

### ***Management Bonuses***

Except as otherwise provided in this paragraph, the Executive Chairman and the CEO shall receive a performance bonus payment based on the increase in retained earnings for the prior fiscal year. The payment shall be made from a "Management Bonus Pool" composed of 10% of the increase in retained earnings relative to the greater of (A) the retained earnings at the end of the prior fiscal year, or (B) the highest level of retained earnings in any fiscal year of the previous 5 years, beginning in June 2021. In the event retained earnings are lower at the end of the prior fiscal year, or are below the highest level in the past five years (from June 30, 2021 onward), no bonus payments will be awarded.

### ***Compensation Securities***

The Corporation has adopted the LTIP, which was last approved by the Shareholders on October 7, 2022. Pursuant to the terms of the LTIP, in addition to the ability to award options ("**Options**") to acquire shares of the Corporation to eligible grantees, the Corporation has the availability to award deferred share units ("**DSUs**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**"), and stock appreciation rights ("**SARs**"). A brief summary of the features of all five types of compensation securities (the "**Compensation Securities**") is provided below and is qualified in its entirety by the provisions of the LTIP, a copy of which is attached hereto as Schedule "B".

In determining individual grants, the Board considers the experience, responsibilities and performance of each recipient of an award under the LTIP. Previous grants are also taken into consideration during the grant process.

### ***Stock Options***

The executive officers, as well as directors, employees and consultants, are eligible to receive grants of Options at the time of employment, if applicable, and thereafter as determined by the Board. The Board believes the granting of Options creates long-term incentive, a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of Options is intended to reward those executives who are responsible for the management and growth of the Corporation and to encourage such executives to develop a long-term vision for the Corporation to operate in a manner to maximize Shareholder value. By using vesting periods for Option grants, this compensation element is also designed to support long-term retention of valuable employees.

During the Last Financial Year, the Board did not grant any Options to directors, officers, employees and consultants.

### ***Restricted Share Units***

The executive officers, as well as directors, employees and consultants, are eligible to receive grants of RSUs, entitling the holder to receive one Common Share for each RSU, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement. The Board believes the granting of RSUs creates long-term incentive, a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of RSUs is intended to reward those executives who are responsible for the management and growth of the Corporation and to encourage such executives to develop a long-term vision for the Corporation to operate in a manner to maximize Shareholder value. By using vesting periods for RSUs in addition to other restrictions, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No RSUs have been awarded as of the date of this Circular.

### Performance Share Units

Executive officers, as well as employees and consultants, are eligible to receive grants of PSUs, entitling the holder to receive one Common Share for each PSU, subject to the achievement or attainment of specific performance criteria (“**Performance Criteria**”) within a specific period (“**Performance Cycle**”). The number of PSUs and the Performance Criteria which must be satisfied in order for the PSUs to vest and the Performance Cycle in respect of such PSUs shall be specified in the applicable award agreement. The Board believes the granting of the PSUs incentivizes the attainment of specific goals which support the overall strategies of the Corporation and creates a sense of ownership and an alignment of the recipients’ interests with those of the Shareholders. The granting of PSUs is intended to reward those executives who are responsible for the management and growth of the Corporation and to encourage such executives to develop a long-term vision for the Corporation to operate in a manner to maximize Shareholder value. By using vesting periods for PSUs in addition to other restrictions, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No PSUs have been awarded as of the date of this Circular.

### Deferred Share Units

Directors are eligible to receive grants of DSUs. Directors may elect to receive any part or all of their fees payable in respect of their position as a director as DSUs. Each holder of a DSU is entitled to receive one Common Share for each DSU. The Board believes the granting of DSUs creates long-term incentive, a sense of ownership and an alignment of the recipients’ interests with those of the Shareholders. The granting of DSUs is intended to reward directors who are responsible for oversight of the management and growth of the Corporation and to encourage such directors to maintain a long-term vision for the Corporation to operate in a manner to maximize Shareholder value.

No DSUs have been awarded as of the date of this Circular.

### Stock Appreciation Rights

The executive officers, as well as directors, employees and consultants, are eligible to receive grants of SARs, entitling the recipient to receive a payment in Common Shares equal to the current market price less the grant price of the SAR as determined by the Board at the time of the grant for each SAR. Notwithstanding the foregoing, the Board may, in its sole discretion, satisfy payment of the entitlement in cash rather than in Common Shares. The granting of SARs is intended to reward those executives who are responsible for the management and growth of the Corporation and to encourage such executives to develop a long-term vision of the Corporation to operate in a manner to maximize Shareholder value. By using vesting periods for SARs, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No SARs have been awarded as of the date of this Circular.

### **Compensation Risk Considerations**

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Corporation believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Corporation does not have a policy in place which prohibits NEOs or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, the Compensation Committee will continue to monitor whether such a policy should be adopted by the Corporation and provide such recommendations to the Board as needed.

Base salaries are fixed in amount and thus do not encourage risk taking. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would

trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Compensation Committee.

Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Corporation's stock price and since awards are staggered and subject to long-term vesting schedules, they help ensure that NEOs have significant value tied to the Corporation's long-term stock price performance.

### **Summary Compensation Table**

The following table provides information for the Last Financial Year and the years ended December 31, 2021 and December 31, 2020 regarding compensation earned by each of the following NEOs:

Name and principal position	Period Ended	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Samuel Pelaez <sup>(2)</sup> <i>President, Chief Executive Officer, Chief Investment Officer and Director</i>	2022	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2021	69,000	Nil	113,093	Nil	Nil	Nil	Nil	182,093
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carmelo Marrelli <i>Chief Financial Officer</i>	2022	61,235	Nil	Nil	Nil	Nil	Nil	Nil	61,235
	2021	71,262	Nil	Nil	Nil	Nil	Nil	Nil	71,262
	2020	64,547	Nil	Nil	Nil	Nil	Nil	Nil	64,547

**Notes:**

- (1) The fair value of the stock options was estimated using Black-Scholes option pricing model on the following assumptions: share price of \$0.10, exercise price of \$0.125, risk free interest rate of 0.88%, an expected yield of 0%, an expected life of 5 years and an expected volatility of 108%. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of share- and option-based awards.
- (2) Samuel Pelaez did not earn any fees in his capacity as director.

### **Incentive Plan Awards**

The following table provides information regarding the incentive plan awards for each NEO of the Corporation outstanding as of December 31, 2022:

## Outstanding Share Awards and Option Awards

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Samuel Pelaez	1,500,000	0.125	Aug 9, 2026	Nil	Nil	Nil	Nil
Carmelo Marrelli	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the TSX Venture Exchange on December 30, 2022 of \$0.04.

The following table provides information regarding the value vested or earned on incentive plan awards for each NEO during the Last Financial Year:

### Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Samuel Pelaez	28,273	Nil	Nil
Carmelo Marrelli	Nil	Nil	Nil

Notes:

- (1) Based on the number of options that vested during the Last Financial Year and calculated based on the difference between the market price of the Common Shares on the TSX Venture Exchange and the exercise price of the options on the vesting date. Any unexercised options may never be exercised and an actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

### Pension Plan Benefits

During the Last Financial Year, there were no pension plan benefits in place for the NEOs of the Corporation.

### Termination and Change of Control Benefits

The Executive Chairman and the Chief Executive Officer will receive a change of control payment if at any time during the terms of their respective consultancy agreements there is a Change of Control, as that term is defined in their respective agreements, and, within twenty-four (24) months of that Change of Control, there is a termination of the consultancy agreement by the Company or either NEO for any reason other than material breach. Both the Executive Chairman and the Chief Executive Officer shall then be entitled to a lump sum payment of twenty-four (24) months' worth of fees and management performance bonuses, with the management bonuses, if any, being pro-rated for the period from the end of the prior fiscal year to the last day of the calendar month immediately prior to the date of the written notice of termination.

## Director Compensation

### Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors, other than the NEOs, during the Last Financial Year:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Darren Koningen <sup>(2)</sup>	11,250	Nil	Nil	Nil	Nil	Nil	11,250
Evelyn Foo <sup>(3)</sup>	3,750	Nil	Nil	Nil	Nil	Nil	3,750
David Regan	15,000	Nil	Nil	Nil	Nil	Nil	15,000
Derek Macpherson	Nil	Nil	Nil	Nil	Nil	60,000 <sup>(4)</sup>	60,000
Jeffrey Singer	15,000	Nil	Nil	Nil	Nil	Nil	15,000

Notes:

- (1) Mr. Pelaez was a director and a Named Executive Officer during the Last Financial Year. Any compensation received by him in his capacity as a director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Mr. Koningen did not stand for re-election at the last meeting of the shareholders of the Corporation, which was held on October 7, 2022. As such, all the compensation of Mr. Koningen represented in this table was earned and paid between January 1, 2022 and October 7, 2022.
- (3) Ms. Foo was first elected as a director of the Corporation at the meeting of shareholders held October 7, 2022. As such, all the compensation of Ms. Foo represented in this table was earned and paid between October 7, 2022 and December 31, 2022.
- (4) Mr. Macpherson earned consulting fees of \$60,000 in his capacity as Executive Chairman of the Corporation.
- (5) Directors are compensated on a \$1,250 monthly cash fee per director paid quarterly in arrears.

## Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director of the Corporation outstanding as of December 31, 2022:

### Outstanding Share Awards and Options Awards

Name <sup>(1)</sup>	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Darren Koningen	550,000	0.125	Aug 9, 2026	Nil	Nil	Nil	Nil
Evelyn Foo	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Regan	400,000 300,000	0.10 0.125	Apr 26, 2025 Aug 9, 2026	Nil	Nil	Nil	Nil
Derek Macpherson	1,500,000	0.125	Aug 9, 2026	Nil	Nil	Nil	Nil
Jeffrey Singer	400,000 300,000	0.10 0.125	Apr 26, 2025 Aug 9, 2026	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Pelaez was a director and a Named Executive Officer during the Last Financial Year. Any compensation received by him in his capacity as a director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Calculated based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the TSX Venture Exchange on December 30, 2022 of \$0.04.

The following table provides information regarding the value vested or earned on incentive plan awards for each director of the Corporation during the Last Financial Year:

#### **Incentive Plan Awards – Value Vested or Earned During the Last Financial Year**

<b>Name<sup>(1)</sup></b>	<b>Option awards – Value vested during the year (\$)<sup>(2)</sup></b>	<b>Share awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Darren Koningen	10,367	Nil	Nil
Evelyn Foo	Nil	Nil	Nil
David Regan	5,655	Nil	Nil
Derek Macpherson	28,273	Nil	Nil
Jeffrey Singer	5,655	Nil	Nil

**Notes:**

- (1) Mr. Pelaez was a director and a Named Executive Officer during the Last Financial Year. Any compensation received by him in his capacity as a director of the Corporation is reflected in the Summary Compensation Table for the Named Executive Officers in this Circular.
- (2) Based on the number of options that vested during the Last Financial Year and calculated based on the difference between the market price of the Common Shares on the TSX Venture Exchange and the exercise price of the options on the vesting date. Any unexercised options may never be exercised and an actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

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

The following table provides details of the equity securities of the Corporation authorized for issuance as of the financial period ended December 31, 2022 pursuant to the LTIP:

<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)<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	5,150,000 <sup>(2)</sup>	0.12	5,926,870
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>5,150,000<sup>(2)</sup></b>	<b>0.12</b>	<b>5,926,870</b>

**Notes:**

- (1) Based on a total of 11,076,870 stock options issuable pursuant to the LTIP as at December 31, 2022.
- (2) Representing approximately 4.6% of the issued and outstanding Common Shares as at December 31, 2022.

#### **MATTERS TO BE ACTED UPON**

##### **Presentation of Financial Statements**

The Corporation's consolidated financial statements for the year ended December 31, 2022 and the auditor's report thereon will be presented to the Shareholders at the Meeting. In accordance with the provisions of the *Canada Business Corporations Act*, the financial statements are merely presented at the Meeting and will not be voted on.

### **Appointment of Auditors**

McGovern Hurley LLP, Chartered Accountants (“**McGovern Hurley**”) are the independent registered certified auditors of the Corporation. McGovern Hurley was first appointed auditor of the Corporation on June 4, 2014.

**Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be withheld or voted otherwise, the persons named in the proxy or voting instruction form will vote FOR the appointment of McGovern Hurley as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board of Directors to fix the remuneration of the auditors.**

### **Election of Directors**

The Corporation’s Articles of Incorporation provide that the Board shall consist of a minimum of three (3) and a maximum of ten (10) directors. At the Meeting, the following five (5) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders of the Corporation, or until his or her successor is duly elected unless prior thereto he or she resigns or his or her office becomes vacant by reason of death or other cause.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be withheld or voted otherwise, the persons named in the proxy or voting instruction form will vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

The following table, among other things, sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them:

<b>Name, Province or State and Country of Residence</b>	<b>Date First Became a Director</b>	<b>Present Principal Occupation and Positions Held During the Preceding Five Years</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Controlled or Direction is Exercised<sup>(1)</sup></b>
Derek Macpherson <i>Toronto, ON</i>	June 7, 2021	Executive Chairman of the Corporation; President and Chief Executive Officer of Gold79 Resources; previously Senior Vice President, Investment Banking and Mining Analyst at Red Cloud Securities Inc.	3,085,000 <sup>(5)</sup>
Samuel Pelaez <i>Toronto, ON</i>	June 7, 2021	President, Chief Executive Officer and Chief Investment Officer of the Corporation; President and Chief Executive Officer of Gossan Resources; previously Chief Investment Officer and Portfolio Manager at Galileo Global Equity Advisors	2,991,000 <sup>(6)</sup>
Jeffrey Singer <sup>(2)(3)(4)</sup> <i>Florida, USA</i>	November 21, 2019	Corporate director, previously Executive VP and Chief Investment Officer of Investors Group	656,000 <sup>(7)</sup>

<b>Name, Province or State and Country of Residence</b>	<b>Date First Became a Director</b>	<b>Present Principal Occupation and Positions Held During the Preceding Five Years</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Controlled or Direction is Exercised<sup>(1)</sup></b>
David Regan <sup>(2)(3)(4)</sup> <i>Nova Scotia, Canada</i>	November 21, 2019	Chief Executive Officer of Sona Nanotech Inc., previously EVP, Strategy and Corporate Development of TSX-listed Wildbrain Ltd.	306,500 <sup>(8)</sup>
Evelyn Foo <sup>(2)(3)(4)</sup> <i>Toronto, ON</i>	October 7, 2022	President, EFoo Consulting Inc., previously President, CCO, COO, CFO and director of Galileo Global Equity Advisors Inc.	Nil

Notes:

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee. Evelyn Foo is the Chairwoman.
- (3) Member of the Compensation Committee. David Regan is the Chairman.
- (4) Member of the Nominating and Corporate Governance Committee. David Regan is the Chairman.
- (5) Mr. Macpherson holds 500,000 Common Shares through Kanaga Capital Corp. Mr. Macpherson also holds options to purchase 1,500,000 Common Shares.
- (6) Mr. Pelaez holds 2,191,000 Common Shares through Celeste Advisors Inc. Mr. Pelaez also holds options to purchase 1,500,000 Common Shares.
- (7) Mr. Singer holds options to purchase 700,000 Common Shares.
- (8) Mr. Regan holds options to purchase 700,000 Common Shares.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 7,038,500 Common Shares, representing approximately 6.3% of the issued and outstanding Common Shares as of the date hereof.

***Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

No individual set forth in the above table is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) 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 thirty (30) consecutive days that was issued while such individual 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, that was in effect for a period of more than thirty (30) consecutive days, that was issued after such individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

No individual set forth in the above table (or any personal holding company of any such individual) is, as of the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while such individual 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.

No individual as set forth in the above table (or any personal holding company of any such individual) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

No individual set forth in the above table (or any personal holding company of any such individual) 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 investor in making an investment decision.

### **Long-Term Incentive Plan Approval**

The TSX Venture Exchange (“**TSX-V**”) requires all listed companies with a 10% rolling security-based compensation plan to obtain annual shareholder approval of such a plan. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the LTIP, previously approved by the Shareholders on October 7, 2022.

The LTIP provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, five types of Compensation Securities: (i) Options; (ii) DSUs; (iii) RSUs; (iv) PSUs; and (v) SARs. The LTIP provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX-V. As at the date hereof, this represents an aggregate of 11,076,870 Common Shares available under the LTIP.

Some of the key provisions of the LTIP are as follows (all capitalized terms which are not defined herein have the meaning assigned to them in the LTIP):

- i. **The aggregate maximum number of Common Shares available for issuance from treasury under the LTIP at any given time shall not exceed 10% of the outstanding Common Shares** as at the date of grant of Compensation Securities under the LTIP, subject to adjustment or increase of such number pursuant to the terms of the LTIP. Any Common Shares subject to an Award which has been granted under the LTIP and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the LTIP without having been exercised will again be available under the LTIP.
- ii. The exercise price of Compensation Securities, if applicable, shall be determined by the Board at the time each Compensation Security is granted, provided that such price shall not be less than the discounted market price permitted by the Exchange.
- iii. The aggregate number of Common Shares reserved for issuance pursuant to Compensation Securities granted to insiders of the Corporation at any given time, or within a 12 month period, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares reserved for issuance pursuant to Compensation Securities granted to any one person or entity within any 12 month period shall not exceed 5% of the total number of Common Shares then outstanding, unless disinterested shareholder approval is obtained.
- iv. Subject to the LTIP, the Board may determine when any Compensation Security will become exercisable and may determine that the Compensation Security will be exercisable immediately upon the date of grant, or in installments or pursuant to a vesting schedule; however, unless the Board determines otherwise, applicable Compensation Securities other than Options issued pursuant to the LTIP shall not vest earlier than the date which is one year following the date of the grant.
- v. In the event of a change of control (as defined in the LTIP), all Compensation Securities outstanding shall be immediately exercisable; however, no vesting prescribed by the TSX-V shall be removed without prior written TSX-V approval.

As of the date of this Circular, outstanding options to purchase a total of 5,150,000 Common Shares have been issued to directors, officers, employees and consultants of the Corporation and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is 5,926,870.

See “*Executive Compensation – Performance and Compensation – Compensation Securities*” as well as a full copy of the LTIP attached hereto as Schedule “B”, which qualifies the foregoing summary in its entirety.

### ***Shareholder Approval for the Plan***

Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution approving the LTIP (the “**LTIP Resolution**”), which, to be effective, must be passed by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

**The Board recommends that Shareholders vote FOR the LTIP Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the LTIP Resolution, the persons named in the proxy or voting instruction form will vote FOR the LTIP Resolution.**

### **Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## **STATEMENT OF CORPORATE GOVERNANCE**

### **Board of Directors**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of five (5) directors, being Derek Macpherson (Executive Chairman), David Regan, Jeffrey Singer, Evelyn Foo, and Samuel Pelaez. All five (5) directors are standing for re-election at the Meeting.

Messrs. Regan and Singer and Ms. Foo are independent within the meaning of NI 58-101. Mr. Pelaez is not independent as he is an officer of the Corporation and thereby has a “material relationship” with the Corporation. Mr. Macpherson is not independent as he is an executive officer of the Corporation and thereby has a “material relationship” with the Corporation.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

### **Board Diversity and Term Limits**

The Corporation’s senior management and Board have varying backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted a diversity policy or any specific target number or percentage, or a range of target numbers or percentages,

respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, “**members of designated groups**”) on the Board or in senior management roles.

Although the level of representation of members of designated groups is one of the many factors taken into consideration in making Board and senior management appointments, emphasis is placed on hiring or advancing the most qualified individuals. The Corporation has not adopted term limits or other mechanisms of Board renewal as it takes the view that they may result in directors who have accumulated valuable industry experience being forced to leave their position arbitrarily. The Corporation believes that directors should be assessed based on their ability to continue to make a meaningful contribution to the Corporation

As of the date of this disclosure, the members of designated groups currently holding positions on the Board or in senior management are as follows:

As of the date of disclosure, the **board of directors** of the Corporation consists of:

- A total of 5 directors
- 1 is female (20%)
- 0 are persons with disabilities (0%)
- 0 are Indigenous persons (0%)
- 3 are members of visible minorities (60%)

As of the date of disclosure, the **senior management team** of the Corporation consists of:

- A total of 3 members
- 0 are female (0%)
- 0 are persons with disabilities (0%)
- 0 are Indigenous persons (0%)
- 2 are members of visible minorities (66.7%)

### **Other Public Company Directorships**

The following members of the Board currently hold directorships in other reporting issuers as set forth below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>
Derek Macpherson	Gold79 Mines Ltd. Rockcliff Metals Corp.	TSX-V CSE

### **Orientation and Continuing Education of Board Members**

The Board, together with the Corporate Governance and Nominating Committee (the “**Nominating Committee**”) is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

- the role of the Board and its committees;
- the nature and operation of the business of the Corporation; and
- the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the Nominating Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

### **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics (the “**Code of Conduct**”) to encourage and promote a culture of ethical business conduct amongst the directors, officers and employees of the Corporation. Copies

of the Code of Conduct are available upon written request from the Chief Executive Officer of the Corporation. The Board is responsible for ensuring compliance with the Corporation's Code of Conduct. The Code of Conduct was adopted after the end of the Company's financial year ended 2021, and there have been no departures from the Corporation's Code of Conduct since its adoption.

In addition to those matters which, by law, must be approved by the Board, the approval of the Board is required for:

- the Corporation's annual business plan and budget;
- material transactions not in the ordinary course of business; and
- transactions which are outside of the Corporation's existing business.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

The Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by the Corporation's directors, officers and employees.

### **Nomination of Directors**

The Nominating Committee holds the responsibility for the appointment and assessment of directors.

The Nominating Committee seeks to achieve a balance of knowledge, experience and capability among the members of the Board. When considering candidates for director, the Nominating Committee takes into account a number of factors, including the following (although candidates need not possess all of the following characteristics and not all factors are weighted equally):

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the countries and/or communities in which the Corporation does business and in the Corporation's industry sectors or other industries relevant to the Corporation's business; and
- ability and willingness to commit adequate time to Board and committee matters, and be responsive to the needs of the Corporation.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Nominating Committee will consider various potential candidates for director positions. Candidates may come to the attention of the Nominating Committee through current directors or management, stockholders or other persons. These candidates will be evaluated at regular or special meeting of the Nominating Committee, and may be considered at any point during the year.

### **Compensation**

The Compensation Committee assists the Board in its oversight role with respect to (i) the Corporation's global human resource strategy, policies and programs, and (ii) all matters relating to the proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation. The Compensation Committee is composed entirely of independent directors.

The Compensation Committee:

- reviews and makes recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based

plans, bonus plans, pension plans (if any), executive stock option plans including the LTIP and grants and benefit plans;

- has sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention;
- reviews and approves at least annually all compensation arrangements with the senior executives of the Corporation;
- reviews and approves at least annually all compensation arrangements with the directors of the Corporation; and
- reviews the executive compensation sections disclosed in annual management proxy circular distributed to the shareholders in respect of the Corporation’s annual meetings of shareholders.

**Other Board Committees**

The Board has no standing committees other than the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

**Assessments**

The Board does not consider formal assessments useful given the stage of the Corporation’s business and operations. However, the chairman of the Board meets annually with each director individually, which facilitates a discussion of that director’s contribution and the contribution of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Nominating Committee. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

**AUDIT COMMITTEE INFORMATION**

**The Audit Committee’s Charter**

The directors of the Corporation have adopted a Charter for the Audit Committee, which sets out the Audit Committee’s mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Appendix “A” to this Circular.

**Composition of the Audit Committee**

The members of the Audit Committee are David Regan, Jeffrey Singer and Evelyn Foo. Evelyn Foo is the Chair. Messrs. Regan and Singer and Mrs. Foo are independent (as defined in National Instrument 52-110 – *Audit Committees* (“NI 52-110”) adopted by the Canadian Securities Administrators), and all members are financially literate (as defined in NI 52-110).

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Evelyn Foo	Yes	Yes
David Regan	Yes	Yes
Jeffrey Singer	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Corporation. A “material relationship” is a relationship which could, in the view of the board of directors of the Corporation, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have 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 reasonably be expected to be raised by the Corporation’s financial statements.

### **Relevant Education and Experience**

Ms. Foo, a chartered professional accountant, has worked in the financial sector for over 30 years and has gained deep and broad experience of all aspects of the asset management industry. Ms. Foo is currently President of EFoo Consulting Inc. and holds a B.Comm., Accounting and Economics from the University of Toronto.

Mr. Regan, who holds an MBA degree from INSEAD, has had an extensive career in business operations, management consulting and financial services. Mr. Regan is currently CEO of Sona Nanotech Inc. and previously served as Executive Vice President, Strategy and Corporate Development at DHX Media. Mr. Regan also worked in New York for global management consulting firm A.T. Kearney in the Financial Institutions Group and prior to that role he worked with Canada's Export Development Corporation.

Mr. Singer, who holds an MBA degree from Harvard Business School, has over 25 years of extensive experience in the asset management industry. Most recently, Mr. Singer occupied the role of Executive Vice President and Chief Investment Officer at Investors Group Inc. in Winnipeg. In addition, he acted as Senior Vice President-Global Equities and Head of Global Research at the Caisse de Depot and also spent 17 years in New York as a portfolio manager with Bernstein Investment Research and Management, a subsidiary of Alliance Bernstein L.P.

### **Audit Committee Oversight**

At no time during the Last Financial Year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Corporation not been adopted by the Board.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

### **External Auditor Services Fees (By Category)**

The following table discloses the fees billed to the Corporation by its external auditor during the last two completed financial years:

<b>Financial Period 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>
December 31, 2022	\$39,000	Nil	\$4,500	Nil
December 31, 2021	\$23,000	Nil	\$21,000	Nil

**Notes:**

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

### **Exemption**

Since the Corporation is a "Venture Issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt pursuant to Section 6.1 of NI 52-110 from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

During the financial period ended December 31, 2022, no director, executive officer or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries including requests for copies of the Corporation's financial statements and management's discussion and analysis for the financial period ended December 31, 2022 may be directed to the Corporation by telephone at +1.416.361.0737. Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for the financial period ended December 31, 2022 which is also available on the Corporation's issuer profile on SEDAR and the Corporation's website at [olive-resource.com](http://olive-resource.com).

## APPROVAL

The contents of this information circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board of Directors.

### BY ORDER OF THE BOARD OF DIRECTORS

*"Samuel Pelaez"*

Samuel Pelaez  
President, Director, Chief Executive Officer

## **APPENDIX “A” AUDIT COMMITTEE CHARTER**

### **MANDATE**

The Audit Committee (“Committee”) is a committee of the board of directors (“Board”) of Olive Resource Capital Inc. (“the Company”). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management have established and the overall responsibility for the Company’s external and internal audit processes.

The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company’s outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member’s duties as a member of the Board.

The Committee has the duty to determine whether the Company’s financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company’s own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

### **MEMBERSHIP AND COMPOSITION**

The Committee shall consist of at least three Directors who shall serve on behalf of the Board of which at least two directors are independent. The members shall be appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange (“TSX-V”), including National Instrument 52-110 – *Audit Committees*, and other regulatory agencies as required.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chairman of the Committee. In his absence, the Committee may appoint another person provided a quorum is present. The Chairman will appoint a secretary of the meeting, who need not be a member of the Committee and who will maintain the minutes of the meeting.

### **MEETINGS**

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chairman will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chairman, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner and no less than two (2) business days before the meeting.

The Committee shall meet no less than four (4) times per year or more frequently if circumstances or the obligations require.

## **DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee shall be as follows:

### **A. Financial Reporting and Disclosure**

- i. Review and discuss with management and the external auditor at the completion of the annual examination:
  - a. the Company's audited financial statements and related notes;
  - b. the external auditor's audit of the financial statements and their report thereon;
  - c. any significant changes required in the external auditor's audit plan;
  - d. any serious difficulties or disputes with management encountered during the course of the audit; and
  - e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- ii. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.
- iii. Review, discuss with management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus and other disclosures, if applicable, and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- iv. Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- v. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- vi. Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- vii. Ensure that management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.
- viii. Oversee and enforce Company's public disclosure practices.

## **EXTERNAL AUDITOR**

- i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- ii. Recommend to the Board of Directors the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.
- iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.
- iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:
  - a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,

- b. considering and discussing with the external auditor any disclosed relationships or services, including non audit services, that may impact the objectivity and independence of the external auditor, and
- c. approve in advance any non audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the TSX-V with respect to approval of non audit related serviced performed by the auditor.

#### **INTERNAL CONTROLS AND AUDIT**

- i. Review and assess the adequacy and effectiveness of the Company's systems of internal and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- ii. Assess the requirement for the appointment of an internal auditor for the Company.
- iii. Inquire of management and the external auditor about the systems of internal controls that management and the Board of Directors have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Company.

#### **OVERSIGHT FUNCTION**

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 are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a member who is identified as having accounting or related financial expertise, like the role of all members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

#### **CHARTER REVIEW**

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

#### **ADOPTION**

This Policy was adopted by the Board on June 4, 2014.

**SCHEDULE "B"**  
**LONG-TERM PERFORMANCE INCENTIVE PLAN**

[see following pages]

**Olive Resource Capital Inc.**  
(the "Company")

**LONG-TERM PERFORMANCE INCENTIVE PLAN**

**SECTION 1. ESTABLISHMENT AND PURPOSE OF THIS PLAN**

The Company wishes to establish this long-term performance incentive plan ("**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of Shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units, Options and Stock Appreciation Rights to Eligible Persons as further described in this Plan.

The Plan and the Restricted Share Units, Performance Share Units, Deferred Share Units, Options and Stock Appreciation Rights issuable under the Plan are subject to Policy 4.4 of the TSX Venture Exchange.

This Plan is a "10% rolling plan", permitting the issuance of up to 10% of the issued and outstanding Shares in respect of Awards granted hereunder.

**SECTION 2. DEFINITIONS**

As used in this Plan, the following terms shall have the meanings set forth below:

- (a) "**2014 Plan**" means the Company's 2014 Incentive Stock Option Plan, as may be amended or restated from time to time;
- (b) "**Associate**" has the meaning ascribed thereto in the Securities Act;
- (c) "**Award**" means any award of Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs granted under this Plan;
- (d) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (e) "**Board**" means the board of directors of the Company;
- (f) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of publicly undisclosed confidential information pertaining to the Company;
- (g) "**Cessation Date**" means, the effective date on which a Participant ceases to be a Director of the Company or a Subsidiary for any reason;
- (h) "**Change of Control**" means the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of the Shares. "Person" for the purpose of this provision includes, but is not limited to, any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted; a change in the majority of the Company's Board taking place over a period of six (6) months or less; a merger or consolidation, after which the Company's Shareholders no longer control the Company; and/or the sale of all or substantially all of the Company's assets or the liquidation of the Company, except where the sale is to an affiliate of the Company.

- (i) "**Committee**" means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (j) "**Company**" means Olive Resource Capital Inc., a company incorporated under the *Canada Business Corporations Act* (Canada), and any of its successors or assigns;
- (k) "**Consultant**" means a Person (other than a Key Employee or Director) that:
  - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or an affiliate of the Company, other than services provided in relation to a distribution (as defined in the Securities Act);
  - (ii) provides the services under a written contract between the Company or an affiliate of the Company and the Person, as the case may be;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company; and
  - (iv) has a relationship with the Company or an affiliate of the Company that enables the Person to be knowledgeable about the business and affairs of the Company,and:
  - (v) if the Person is an individual, includes a corporation of which such individual is an employee or Shareholder, and a partnership of which the individual is an employee or partner; and
  - (vi) if the Person is not an individual, includes an employee, executive officer or director of the Consultant, provided that the individual employee, executive officer or director spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company;
- (l) "**Current Market Price**" means the five-day volume-weighted average closing price of the Shares on the Exchange on the immediately preceding five (5) Trading Days on which trading in the Shares took place prior to the relevant grant or exercise date;
- (m) "**Deferred Share Unit**" or "**DSU**" means a right to receive on a deferred basis a payment in Shares as provided in SECTION 5(c) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (n) "**Determination Date**" means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (o) "**Director**" means a member of the Board;
- (p) "**Disability**" means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (q) "**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by all Shareholders at a duly constituted meeting of Shareholders, excluding votes attached to Shares beneficially owned by Insiders to whom Awards may be granted under this Plan and Associates and Affiliates of such Insiders.
- (r) "**Effective Date**" has the meaning ascribed thereto in SECTION 8;

- (s) **"Election Form"** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;
- (t) **"Eligible Person"** means Directors, Key Employees and Consultants of the Company and its Subsidiaries;
- (u) **"Exchange"** means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (v) **"Exchange Hold Period"** means the four month resale restriction imposed by the Exchange on the shares, more particularly described in Exchange Policy 1.1;
- (w) **"Fees"** means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (x) **"Grant Date"** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (y) **"Insider"** means any insider, as that term is defined in the Securities Act;
- (z) **"Insider Participant"** means a Participant who is an (i) Insider of the Company or of a Subsidiary, and (ii) Associate of any person who is an Insider by virtue of (i);
- (aa) **"Investor Relations Activities"** means any activities, by or on behalf of the Company or a Shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
    - A. to promote the sale of products or services of the Company, or
    - B. to raise public awareness of the Company,

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

- (bb) "**Key Employees**" means employees, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company;
- (cc) "**Option**" means incentive share purchase options entitling the holder thereof to purchase Shares;
- (dd) "**Participant**" means any Eligible Person to whom Awards under this Plan are granted;
- (ee) "**Participant's Account**" means a notional account maintained for each Participant's participation in this Plan which will show any Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs credited to a Participant from time to time;
- (ff) "**Performance-Based Award**" means, collectively, Performance Share Units and Restricted Share Units;
- (gg) "**Performance Criteria**" means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the Performance Share Units;
- (hh) "**Performance Cycle**" means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (ii) "**Performance Share Unit**" means a right awarded to a Participant to receive a payment in Shares as provided in SECTION 5(b) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (jj) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (kk) "**Restriction Period**" means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall not be less than 12 months, provided the Board may, in its discretion, permit earlier vesting, no sooner than quarterly, of the Restricted Share Units;
- (ll) "**Restricted Share Unit**" means a right awarded to a Participant to receive a payment in Shares as provided in SECTION 5(a) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (mm) "**Retirement**" means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (nn) "**SA Rights**" has the meaning set out in SECTION 5(e)(i);
- (oo) "**Stock Appreciation Right**" or "**SAR**" means a right awarded to a Participant to receive a payment in Shares as provided in SECTION 5(e)(i) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (pp) "**SAR Amount**" has the meaning set out in SECTION 5(e)(iii);
- (qq) "**SAR Grant Price**" has the meaning set out in SECTION 5(e)(ii);
- (rr) "**Securities Act**" means the *Securities Act* (Ontario), as amended, from time to time;

- (ss) **"Security-Based Compensation Arrangement"** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more eligible Key Employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by an eligible Key Employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (tt) **"Shareholder"** means a registered or beneficial holder of shares or, if the context requires, other securities of a Company.
- (uu) **"Shares"** means the common shares of the Company;
- (vv) **"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (ww) **"Termination Date"** means, as applicable: (i) in the event of a Participant's Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee or a Consultant of the Company or a Subsidiary; and (ii) in the event of termination of the Participant's employment or consulting contract by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (xx) **"Trading Day"** means any date on which the Exchange is open for trading; and
- (yy) **"Vesting Date"** means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

### SECTION 3. ADMINISTRATION

- (a) **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- (b) **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- (c) **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.
- (d) **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

#### SECTION 4. SHARES AVAILABLE FOR AWARDS

- (a) LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.
- (i) The aggregate number of Shares issuable under this Plan in respect of Awards shall not exceed 10% of the Company's issued and outstanding Shares at any point in time;
  - (ii) The aggregate number of Shares reserved for issuance under the Awards granted to Insiders (as a group) at any point in time shall not exceed 10% of the issued and outstanding Shares;
  - (iii) Unless disinterested shareholder approval is obtained, the maximum aggregate number of Awards granted in a 12-month period to any one Participant under the Plan shall not exceed 5% of the issued and outstanding Shares, calculated as of the date any Awards are granted or issued to the Participant.
  - (iv) The aggregate number of Awards granted to Insiders (as a group) within a 12 month period shall not exceed 10% of the issued Shares, calculated at the date an Award is granted to any Insider;
  - (v) the total number of Awards granted to any Consultant under this Plan shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve month period, calculated on the date of the grant;
  - (vi) In respect of Options, so long as it may be required by the rules and policies of the Exchange:
    - A. the total number of Options issuable to Persons performing Investor Relations Activities shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve month period; and
    - B. The grant value of Shares issued or reserved for issuance pursuant to Options granted under this Plan to any one non-executive Director (excluding, for this purpose, the Chairman of the Board, if any) plus the number of Shares that are reserved at that time for issue or are issuable to such non-executive Director pursuant to any other Security-Based Compensation Arrangements shall not exceed \$100,000 in any fiscal year, calculated by the Company as of the Grant Date.
  - (vii) In respect of Deferred Share Units, Performance Share Units, Restricted Share Units and SA Rights:
    - A. Subject to Section 4(a)(i) hereof, the maximum aggregate number of Shares issuable under this Plan in respect of Deferred Share Units, Performance Share Units, Restricted Share Units and SA Rights shall not exceed 2,100,000, reserving the remaining shares to reach the aggregate of 10% of the issued and outstanding Shares at any point in time, for Options.
  - (viii) Persons performing Investor Relations Activities may only receive Options as Awards under this Plan;
  - (ix) All Awards granted to Persons retained to perform Investor Relations Activities will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Awards vesting and becoming exercisable in any three (3) month period.
  - (x) The total number of Shares issuable to a non-executive Director under this Plan (excluding, for this purpose, the Chairman of the Board, if any) shall not exceed three (3%) percent of the issued and outstanding Shares;
  - (xi) Pursuant to the policies of the Exchange, the Exchange Hold Period will be applied to Shares issuable under this Plan and any certificate(s) representing those Shares will include a legend

stipulating that the Shares issued are subject to a four month Exchange Hold Period commencing from the Grant Date.

- (b) ACCOUNTING FOR AWARDS. For purposes of this SECTION 4:
- (i) If an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
  - (ii) Notwithstanding anything herein to the contrary:
    - A. any Shares issued by the Company in connection with the exercise of RSUs, DSUs, PSUs and SARs does not increase the available number of RSUs, DSUs, PSUs or SARs available for issuance again under this Plan unless the Company receives prior Exchange approval thereof;
    - B. any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares; and
    - C. for Awards not involving Shares, shall be available again for granting Awards under this Plan.
- (c) ANTI-DILUTION. If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments, in accordance with the terms of this Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Restricted Share Units, Performance Share Units, Deferred Share Units, Options and/or SARs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.
- (d) 2014 PLAN. From and after the Effective Date, the 2014 Plan shall be cancelled and deemed to be cancelled, and all awards granted thereunder shall be governed and deemed to be governed by the provisions of this Plan as existing Options under this Plan.

## **SECTION 5. AWARDS**

### **(a) RESTRICTED SHARE UNITS**

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (ii) RESTRICTIONS. Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (iii) VESTING. All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. Despite the foregoing, no Restricted Share Units may vest

earlier than the date which is one year following the date they are granted except as contemplated by SECTION 5(a)(iv) and (v).

- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with SECTION 5(a)(x) hereof.
- (vi) **TERMINATION OF EMPLOYMENT OR SERVICE.**
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.
  - C. Upon termination of a Participant's employment with the Company or a Subsidiary, or upon termination of a Consultant's contract, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (vii) **DISABILITY.** Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units, provided, however, that no Restricted Share Units may be redeemed during a leave of absence. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.
- (viii) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Restricted Share Units granted to the Participant under this Plan that

have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.

- (ix) **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of Restricted Share Units, and subject to the applicable Award Agreement, the Company shall issue from treasury to the Participant, or if SECTION 5(a)(v) applies, to the Participant's estate, a number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

**(b) PERFORMANCE SHARE UNITS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Key Employees and Consultants. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement.
- (ii) **PERFORMANCE CRITERIA.** The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the original Performance Criteria unfair or inappropriate unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.
- (iii) **VESTING.** All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. Despite the foregoing, no Performance Share Units may vest earlier than the date which is one year following the date they are granted except as contemplated by SECTION 5(b)(iv) and (v).
- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with SECTION 5(b)(viii) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the

Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with SECTION 5(b)(viii) hereof.

(vi) TERMINATION OF EMPLOYMENT OR SERVICE.

- A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- B. Where, in the case of Key Employees or Consultants, other than as may be set forth in the applicable Award Agreement and below, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement, all Performance Share Units granted to the Participant which, prior to the Participant's termination without cause, by voluntary termination or due to Retirement, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with SECTION 5(b)(viii) hereof.
- C. In the case of Key Employees, upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.

(vii) DISABILITY. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units, provided, however, that no Performance Share Units may be redeemed during a leave of absence. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with SECTION 5(b)(viii) hereof.

(viii) PAYMENT OF AWARD. Subject to the applicable Award Agreement, payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement. The Company shall issue from treasury to the Participant, or if SECTION 5(b)(v) applies, to the Participant's estate, a number of Shares equal to

the number of Performance Share Units that have vested. As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

(c) **DEFERRED SHARE UNITS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors. Directors become Participants effective as of the date he or she is first appointed or elected as a Director and cease to be Participants on the Cessation Date for any reason. Deferred Share Units granted to a Participant in accordance with SECTION 5(c) hereof shall be credited, as of the Grant Date, to the Participant's Account.
- (ii) **ELECTION.** Each Director may elect to receive any part or all of his or her Fees and/or Awards, as applicable in Deferred Share Units under this Plan. Elections by Participants regarding the amount of their Awards that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Awards for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of his or her Awards for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (iii) **CALCULATION.** The number of Deferred Share Units to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Current Market Price on the Grant Date, or if more appropriate, another trading range that best represents the period for which the award was earned (or such other price as required under Exchange policies). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all Deferred Share Units granted to a Participant shall become fully vested in such Participant and shall become payable to the Participant in accordance with SECTION 5(c)(v) hereof.
- (v) **PAYMENT OF AWARD.** Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director for any reason or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, up to two (2) dates designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date as the Participant and the Company may agree, which dates shall be no earlier than then ninetieth (90) day following the year of the Cessation Date and no later than the end of the calendar year following the year of the Cessation Date, or any earlier period on which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant, that number of Shares equal to the number of Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company.
- (vi) **DEATH.** Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, such Shares that would have otherwise been payable in accordance with SECTION 5(c)(iv) hereof to the Participant upon such Participant ceasing to be a Director.
- (vii) **VESTING.** No Deferred Share Units may vest earlier than the date which is one year following the date they are granted except as contemplated by SECTION 5(c)(iv) and (vi).

(d) **OPTIONS**

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of Options to Eligible Persons, provided that such Eligible Persons are determined by the Board to be *bona fide* Eligible Persons, as the case may be, at the time of such grant. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- (ii) EXERCISE PRICE. The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the discounted market price permitted by the Exchange. The Board shall not reprice any Options previously granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the Company will be required to obtain Disinterested Shareholder Approval in respect of any reduction in the exercise price or extension to the term of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction or extension, if and to the extent required by the rules and policies of the Exchange.
- (iii) TIME AND CONDITIONS OF EXERCISE. The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten years. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- (iv) EVIDENCE OF GRANT. All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- (v) EXERCISE. The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice and payment. Neither the Participants nor their legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such Participants under the terms of this Plan. Where the expiry date for an Option occurs during a Blackout Period, the expiry date for such Option shall be extended to the date that is 10 business days following the end of such Blackout Period.
- (vi) CHANGE OF CONTROL. In the event of a Change of Control, each outstanding Option issued to Eligible Persons, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- (vii) DEATH. Where a Participant shall die, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- (viii) TERMINATION OF EMPLOYMENT OR SERVICE.
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is

terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, no Option held by such Participant shall be exercisable from the Termination Date.

- B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
- C. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.

- (ix) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Participant ceasing to be a Director) or prior to the expiration of the Option in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Cessation Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.

(e) **STOCK APPRECIATION RIGHTS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant awards of stock appreciation rights to Eligible Persons, either on a stand-alone basis ("**SA Rights**") or in relation to any Option. SARs granted to a Participant shall be credited, as of the Grant Date, to the Participant's account. The number of SARs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- (ii) **SAR GRANT PRICE.** The exercise price of the SAR (the "**SAR Grant Price**") shall be determined by the Board at the time the SAR is granted. In no event shall the SAR Grant Price be lower than the discounted market price permitted by the Exchange. Where a SAR is granted in relation to an Option, it shall be a right in respect of the same number of Shares, and the SAR Grant Price shall

be the same as the exercise price of the Option it is granted in relation to. The Board shall not reprice the SAR Grant Price of any SARs previously granted under this Plan, except in accordance with the rules and policies of the Exchange.

(iii) PAYMENT.

- A. Subject to the provisions hereof, a SAR is the right to receive a payment in Shares equal to the excess, if any, of:
- i. the Current Market Price immediately prior to the date such SAR is exercised; *over*
  - ii. the SAR Grant Price,
- multiplied by the number of Shares in respect of which the SAR is being exercised (less any amount required to be withheld for taxes by applicable law) (the "**SAR Amount**").
- B. For greater clarity, the actual number of Shares to be granted to the Participant pursuant to Paragraph A shall be equal to the aggregate SAR Amount divided by the Current Market Price.
- C. Notwithstanding the foregoing, in the sole discretion of the Board, the Award Agreement may provide that the Company may elect to satisfy the exercise of a SAR (in whole or in part) by paying to the Participant cash in an amount equal to the SAR Amount in lieu of Shares.

(iv) TERMS OF SARS GRANTED IN CONNECTION WITH AN OPTION. SARs may be granted in relation to an Option either at the time of the grant of the Option or by adding the SAR to an existing Option. SARs granted in relation to an Option shall be exercisable only at the same time, by the same persons and to the same extent, that the related Option is exercisable. Upon the exercise of any SAR related to an Option, the corresponding portion of the related Option shall be surrendered to the Corporation and cancelled, and upon the exercise of any Option which has an accompanying SAR, the corresponding portion of the related SAR shall be surrendered to the Corporation and cancelled.

(v) TERMS OF SARS GRANTED ON A STAND-ALONE BASIS. SA Rights shall be granted on such terms as shall be determined by the Board and set out in the Award Agreement (including any terms pertaining to vesting and settlement), provided the term of any SAR granted under this Plan shall not exceed ten years.

(vi) EXERCISE. The exercise of any SAR will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the SAR is being exercised. If the Participant is to receive Shares, certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice. Neither the Participant nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to SARs under this Plan are issued to such Participant under the terms of this Plan. When the expiration of the exercise period in respect of a SAR occurs during a Blackout Period, the exercise period for such SAR shall be extended to the date that is 10 business days following the end of such Blackout Period.

(vii) CHANGE OF CONTROL. In the event of a Change of Control, each outstanding SAR issued to Eligible Persons, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately

vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.

- (viii) DEATH. Where a Participant shall die while holding a SAR, any SAR held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the SAR shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of death of such Participant.
- (ix) TERMINATION OF EMPLOYMENT OR SERVICE.
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or a consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, no SAR held by such Participant shall be exercisable from the Termination Date.
  - B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.
  - C. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.
- (x) CESSATION OF DIRECTORSHIP. Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date.
- (xi) VESTING. No SARs may vest earlier than the date which is one year following the date they are granted except as contemplated by SECTION 5(e)((vii) and (viii).

(f) GENERAL TERMS APPLICABLE TO AWARDS

- (i) **FORFEITURE EVENTS.** The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (ii) **AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER.** Without limiting SECTION (5)(e), Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company or any Subsidiary. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company or any Subsidiary, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (iii) **NON-TRANSFERABILITY OF AWARDS.** Except as otherwise provided in an Award Agreement, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.
- (iv) **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- (v) **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (vi) **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.

(g) GENERAL TERMS APPLICABLE TO PERFORMANCE-BASED AWARDS

- (i) **PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS.** At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; and (G) foreign exchange gains and losses.
- (ii) **ADJUSTMENT OF PERFORMANCE-BASED AWARDS.** The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

## **SECTION 6. AMENDMENT AND TERMINATION**

- (a) **SHAREHOLDER APPROVAL OF PLAN.** The Company requires majority Shareholder approval of this Plan prior to the grant of any Options, DSUs, RSUs, PSUs or SARs under the Plan. Prior to receipt of Shareholder Approval for the Plan, any grant of Options, RSUs, DSUs, PSUs, or SARs will not be exercisable or binding on the Company unless and until such approval is obtained.
- (b) **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any approval of Shareholders of the Company as required by the rules of the Exchange or applicable law, provided that Shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
  - (i) Amendments to fix typographical errors; and
  - (ii) Amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

Notwithstanding the foregoing, the Company will require Shareholder approval to the following amendments in respect of Options and Disinterested Shareholder Approval in respect of RSUs, DSUs, PSUs and SARs:

- (i) persons eligible to be granted Awards;
- (ii) the maximum number or percentage, as the case may be, of the Shares that may be reserved under this Plan for issuance pursuant to the exercise of Awards;
- (iii) any limitations under this Plan on the number of Awards that may be granted to any one person or any category of persons (e.g., Insiders);
- (iv) the method for determining the exercise price of Options;
- (v) the maximum term of Awards; and

- (vi) the expiry and termination provisions applicable to Awards if such amendment extends the Award beyond its original fixed term.
- (c) **AMENDMENTS TO AWARDS.** The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

## **SECTION 7. GENERAL PROVISIONS**

- (a) **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient.
- (b) **WITHHOLDING.** The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:
  - (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
  - (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (c) **NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS.** Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- (e) **NO RIGHT AS SHAREHOLDER.** Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as Shareholders in respect of any Shares covered by such Participant's

Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

- (f) **GOVERNING LAW.** This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (g) **SEVERABILITY.** If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- (h) **NO TRUST OR FUND CREATED.** Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- (i) **NO FRACTIONAL SHARES.** No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- (j) **HEADINGS.** Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- (k) **NO REPRESENTATION OR WARRANTY.** The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- (l) **NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION.** Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- (m) **CONFLICT WITH AWARD AGREEMENT.** In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- (n) **COMPLIANCE WITH LAWS.** The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
  - (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
  - (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

**SECTION 8. EFFECTIVE DATE OF THIS PLAN**

This Plan shall become effective upon the date (the "**Effective Date**") of majority Shareholder approval given by affirmative vote of the majority of the Shares represented at the meeting of the Shareholders of the Company at which motion to approve the Plan is presented.

**SECTION 9. TERM OF THIS PLAN**

This Plan shall terminate automatically 10 years after the Effective Date, provided that this Plan may be terminated on any earlier date as provided in SECTION 6 hereof, or if any approvals required by the Exchange are not obtained on the terms and conditions required thereby.