



## MANAGEMENT INFORMATION CIRCULAR

(all information as at October 7, 2024 unless otherwise noted)

### PERSONS MAKING THE SOLICITATION

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies being made by the management of **Q2 Metals Corp.** (the “**Company**” or “**Q2**”) for use at the Annual General and Special Meeting (the “**Meeting**”) of the Company’s shareholders (the “**Shareholders**”) to be held on **November 27, 2024** at the time and place and for the purposes set forth in the accompanying Notice of Annual General and Special Meeting (the “**Notice of Meeting**”) and is furnished in connection with a solicitation of proxies for use at that Meeting and at any adjournment thereof.

Unless otherwise stated, all amounts herein are in Canadian dollars.

### GENERAL PROXY INFORMATION

#### Management Solicitation

The solicitation of proxies by the management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

#### Appointment of Proxies

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share of the Company (a “**Share**”) that such shareholder holds on the record date of **October 7, 2024** (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Odyssey Trust Company (the "**Transfer Agent**") at their offices located at Suite 350, 409 Granville Street, Vancouver, BC, V6C 1T2 (Attention: Proxy Department) by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The proxy can also be voted online at: <https://login.odysseytrust.com/pxlogin>. The Control Number that is printed on the form of proxy is required to vote online. Alternatively, the completed form of proxy may be delivered to the chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

#### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing:

- (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and
- (b) delivered either:
  - (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (ii) to the chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or by the submission of a subsequent proxy in accordance with the foregoing procedures.

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

#### **Voting of Proxies and Exercise of Discretion**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so as follows:

1. Online: please visit <https://login.odysseytrust.com/pxlogin> and click on VOTE. You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy;
2. Email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com);
3. Mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 702, 67 Yonge Street, Toronto, ON, M5E 1J8; or
4. By fax to Odyssey, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international).

In all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Vancouver, British Columbia) before the Meeting or the adjournment thereof at which the proxy is to be used.

### **Beneficial Shareholders**

**The information set out in this section is of significant importance to those shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Circular as “Beneficial Shareholders”) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.**

If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to

clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting.

The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting.

A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Shares voted at the Meeting.

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

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote their Shares.

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

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

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

## **NOTICE & ACCESS**

The Company is utilizing the “notice and access” process under National Instrument 54-101, and National Instrument 51-102, Continuous Disclosure Obligations, for distribution of this Circular and other meeting materials to registered and non-registered shareholders.

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 Company anticipates that utilizing the Notice and Access process will substantially reduce both postage and printing costs and will promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

The Company has posted the Circular, Notice of Meeting, Form of Proxy, the Company’s financial statements and management discussion and analysis for the year ended February 29, 2024 online at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company’s profile as well as at <https://Q2metals.com>

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

The Company is authorized to issue an unlimited number of Shares without par value. As at the record date of October 7, 2024, the Company had 130,414,222 issued and outstanding fully paid and non-assessable Shares without par value, each Share carrying the right to one vote. The Company has no other classes of voting securities.

Only registered shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights of the Company.

## **FINANCIAL STATEMENTS**

The directors will place before the Meeting the financial statements for the year ended February 29, 2024 together with the auditors’ report thereon. Receipt at the Meeting of the auditor’s report and the Company’s audited financial statements for the fiscal year ended February 29, 2024 will not constitute approval or disapproval of any matters referred to therein.

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

### **1. Appointment of Auditor**

De Visser Gray LLP, Chartered Professional Accountants, will be nominated at the Meeting for appointment as auditor of the Company. De Visser Gray LLP, Chartered Professional Accountants, were appointed as auditor of the Company on September 18, 2018.

**Management recommends that shareholders vote FOR the re-appointment of De Visser Gray LLP, Chartered Professional Accountants, as the Company’s auditor at remuneration to be fixed by the Board.**

### **2. Number of Directors**

Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of directors of the Company at six (6) for the ensuing year, subject to such increases as may be permitted by the articles of the Company and the provisions of the *Business Corporations Act* (British Columbia).

Management recommends a vote “FOR” the approval of the resolution setting the number of directors at six (6). In the absence of instructions to the contrary, a properly executed and returned proxy will be voted “FOR” the approval of the resolution setting the number of directors at six (6).

### 3. Election of Directors

The term of office of those nominees set out below, who are presently directors of the Company, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the close of the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Articles of the Company, or with the provisions of applicable corporate legislation or until such director’s earlier death, resignation or removal.

Management of the Company proposes to nominate each of the following persons for election as a director of the Company to hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence and Position Held with the Company	Director Since	Principal Occupation during the past five years	Number of Shares held
<b>Alicia Milne</b> <sup>(1)(2)</sup> <i>British Columbia, Canada</i> Chief Executive Officer, President and Director	September 17, 2018	Ms. Milne is the CEO and President of the Company. A legal professional and a specialist in securities and corporate administration of public companies, Ms. Milne provides securities compliance services to public companies listed on the New York Stock Exchange, Toronto Stock Exchange and TSX Venture Exchange. Ms. Milne was the Corporate Secretary of Pretium Resources Inc. from 2011 to 2018 and currently serves as an independent director on other publicly listed companies.	731,442 <sup>(3)</sup>
<b>Jody Bellefleur</b> <i>British Columbia, Canada</i> Chief Financial Officer, Corporate Secretary and Director	June 5, 2020	Ms. Bellefleur is the CFO and Corporate Secretary of the Company. A CPA, CGA with over 26 years’ experience as a corporate accountant, Ms. Bellefleur has focused exclusively on public companies for the last 16 years and is responsible for all aspects of regulatory public company financial reporting. Ms. Bellefleur has served as the CFO of Zimtu Capital Corp. (“Zimtu”) since 2013, and also acts as CFO for a number of Zimtu’s equity holdings.	458,571
<b>Kevin Bottomley</b> <sup>(1)(4)(5)</sup> <i>British Columbia, Canada</i> Independent Director	August 13, 2021	Mr. Bottomley is an accomplished capital markets advisor, successfully raising over \$100M over the span of 16 years with a primary focus on early-stage opportunities. The founder of Corvidian Capital Corp., he has cultivated strong relationships with a broad base of investors based in North America.	758,586
<b>Simon Cohn</b> <sup>(2)(5)</sup> <i>Queensland, Australia</i> Independent Director	November 15, 2022	Mr. Cohn is the Co-Founder and an Executive Director of Mining Projects Accelerator Pty (“MPX”) an Australian based and privately owned exploration project generator; non-executive director of MEC Mining, a global technical consulting firm specializing in mining services capabilities across a project’s life cycle; Mining Engineering with Honours from the University of Queensland with over 21 years of industry experience.	5,923,254 <sup>(6)</sup>

<b>Neil McCallum</b> <sup>(2)(4)</sup> Ontario, Canada Vice President Exploration and Director	January 23, 2023	Mr. McCallum is a professional geologist with over 19 years of experience in North America. Mr. McCallum has been working with the Dahrouge Geological Consulting Group since 2004 and has been engaged in the exploration and development of a wide variety of commodities such as industrial minerals, strategic commodities, energy commodities and traditional mineral commodities. He has managed a range of projects from grassroots prospecting to resource definition drilling and resource modeling and, over his career, has become an expert in the compilation of regional-scale metallogenic databases to generate new targets and gain a better perspective for project-scale targeting and acquisition.	250,000
<b>Leo Power</b> <sup>(1)(4)(5)</sup> Newfoundland and Labrador, Canada Independent Director	September 17, 2018	Mr. Power is the CEO, President and a Director of LNG Newfoundland and Labrador Limited, focused on a proposed project to monetize stranded natural gas offshore Newfoundland and Labrador. Mr. Power is a Director of York Harbour Metals.  Mr. Power previously worked at senior levels within the Government of Canada and the Government of Newfoundland and Labrador and has an MBA from the Kellogg-Schulich Joint MBA Program and a Master of Oil and Gas Studies from Memorial University, Newfoundland. He is a graduate of the Directors Education Program of the Rotman School of Management, University of Toronto.	100,000

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Member of the Health, Safety, Environment & Community Committee.

<sup>(3)</sup> Of these shares, 615,806 shares are held by A. Milne Consulting Corp., a private company controlled by Ms. Milne.

<sup>(4)</sup> Member of the Nominating & Corporate Governance Committee.

<sup>(5)</sup> Member of the Compensation Committee.

<sup>(6)</sup> Of these shares, 110,000 shares are held by Coent Pty Ltd., a private company controlled by Mr. Cohn, 2,496,889 shares are held by Long Life Strategic Investments Pty Ltd ATF Cohn Family Trust, a trust controlled by Mr. Cohn, and 3,316,365 shares are held by Mining Projects Accelerator Pty Ltd., a private company over which Mr. Cohn has control or direction.

**Advance Notice Policy for Nominations of Directors:** The Company's articles were altered in 2023 to include an advance notice provision (the "**Advance Notice Provision**"), which provides Shareholders, directors and management of the Company with direction on the procedure for Shareholder nomination of directors. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in the notice to the Company for the notice to be in proper written form. A copy of the Company's articles which include the Advance Notice Provision can be found under the Company's issuer profile on SEDAR + at [www.sedarplus.ca](http://www.sedarplus.ca).

No director nominations have been made by the Shareholders in connection with the Meeting under the terms of the Advance Notice Provision as at the date hereof.

**Orders:** No proposed director of the Company is, or within the 10 years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer.

For the purposes of the above, “order” means a cease trade order, an order similar to a cease trade order; or an order that denied the relevant company access to any exemption and securities legislation, that was in effect for a period of more than 30 consecutive days.

**Bankruptcies:** No proposed director of the Company is, or was, within the 10 years before the date of this Circular, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets. No proposed director of the Company has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**Penalties or Sanctions:** No proposed director has been subject to 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 respect to same; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable Shareholders in deciding whether to vote for a proposed director.

**In the absence of instructions to the contrary, the enclosed form of proxy will be voted FOR the nominees listed in the form of proxy, all of whom are presently members of the Board.**

#### **4. Approval of Amendments to Equity Incentive Plan**

The Company maintained an Equity Incentive Plan (“EIP”), which was last approved by Shareholders at a meeting held on November 1, 2023, which was a 10% “rolling” plan that provided for the grant of restricted share units (“RSUs”), performance share units (“PSUs”), deferred share units (“DSUs”), stock options (“Options”) (together with RSUs, PSUs, DSUs and Options, the “Awards” or “Compensation Securities”).

Following a review by the board of directors of the EIP, the Board concluded it was advisable to amend the EIP such that the amended EIP (the “2024 EIP”) shall be a: (i) 10% “rolling” plan, permitting the issuance of up to ten percent (10%) of the issued and outstanding Shares in respect of the grant of Options, and (ii) a 10% “fixed” plan, permitting the issuance of up to 13,041,422 Shares in respect of the grant of RSUs, PSUs and DSUs.

The Board has full authority to administer the 2024 EIP, including the authority to interpret and construe any provision of the 2024 EIP and to adopt, amend and rescind such rules and regulations for administering the 2024 EIP as the Board may deem necessary in order to comply with the requirements of the 2024 EIP, subject to the terms of the 2024 EIP and the rules of the TSX-V. The amendments to the EIP as reflected in the 2024 EIP are subject to the approval of disinterested shareholders and the approval of the TSX-V.

The purpose of the 2024 EIP 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 under the 2024 EIP; (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, the 2024 EIP provides for the grant Awards to bona fide officers, directors, employees, management company employees and Consultants of the Company or any of its subsidiaries (“Eligible Persons”). The extent to which any Eligible Person is entitled to receive a grant of an award pursuant to the 2024 EIP will be determined in the sole and absolute discretion of the Board. Each Eligible Person who receives a grant under the 2024 EIP is referred to as a “Participant”.

The 2024 EIP is a combined “rolling” plan, permitting the issuance of (i) Options totaling up to ten percent (10%) of the issued and outstanding Shares, calculated as at the date of the grant or issuance of an Awards, and (ii) up to 13,041,422 Shares in respect of the grant of RSUs, PSUs and DSUs, which is equal to up to 10% of the issued and outstanding Shares on the Record Date. The TSX-V requires that all listed companies with a 10% rolling equity incentive plan obtain annual shareholder approval, by ordinary resolution, of such a plan.

The 2024 EIP is considered an “evergreen” plan, as Shares that are the subject of any Award made under the 2024 EIP that have been settled in cash, or that have been cancelled, terminated, surrendered, forfeited or have expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under the 2024 EIP.

Shareholders are referred to the full text of the 2024 EIP, a copy of which is attached as Schedule B to this Circular.

#### *Approval of the EIP*

Shareholders will be asked at the Meeting to vote on an ordinary resolution of disinterested shareholders to approve the 2024 EIP. A total of 8,221,853 Shares held by insiders of the Company will be excluded from voting for this resolution as required by the policies of the TSX-V.

At the Meeting, shareholders will be asked to vote on the following resolution, with or without variation:

1. The 2024 EIP be and is hereby confirmed, ratified, affirmed and approved until the next annual general meeting of the Company;
2. The 2024 EIP may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the shareholders of the Company;
3. Any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as such director or officer may deem necessary or desirable in connection with the foregoing resolution.”

**Management recommends that shareholders vote FOR the resolution approving the 2024 EIP. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the resolution approving the 2024 EIP as set out above.**

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

For the purpose of this Circular:

“**CEO**” of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any); and

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for the financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

### Director and Named Executive Officer Compensation

During the during the year ended February 29, 2024, the Company currently had three NEOs:

- Alicia Milne, President and CEO;
- Jody Bellefleur, CFO and Corporate Secretary; and
- Neil McCallum, Vice-President, Exploration.

The following table sets out details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO during the two most recently completed financial years:

**Table of Compensation Excluding Compensation Securities**

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission	Bonus (\$)	Committee or Meeting Fees	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation	Total Compensation (\$)
		(\$)		(\$)		(\$)	
Alicia Milne <sup>(2)</sup> President, CEO & Director	2024	115,000	Nil	Nil	Nil	Nil	115,000
	2023	85,000	Nil	Nil	Nil	Nil	85,000
Jody Bellefleur <sup>(3)</sup> CFO & Director	2024	87,500	Nil	Nil	Nil	Nil	87,500
	2023	60,000	Nil	Nil	Nil	Nil	60,000
Neil McCallum <sup>(4)</sup> VP Exploration and Director	2024	30,000	Nil	Nil	Nil	Nil	30,000
	2023	5,000	Nil	Nil	Nil	Nil	5,000
Kevin Bottomley <sup>(5)</sup> Director	2024	87,500	Nil	Nil	Nil	Nil	87,500
	2023	85,000	Nil	Nil	Nil	Nil	85,000
Simon Cohn <sup>(6)</sup> Director	2024	60,000	Nil	Nil	Nil	Nil	60,000
	2023	15,000	Nil	Nil	Nil	Nil	15,000
Leo Power <sup>(7)</sup> Director	2024	12,000	Nil	Nil	Nil	Nil	12,000
	2023	3,000	Nil	Nil	Nil	Nil	3,000

(1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) \$Nil fees were paid to Ms. Milne in connection with her position as a director.

(3) \$Nil fees were paid to Ms. Bellefleur in connection with her position as a director.

(4) \$Nil fees were paid to Mr. McCallum in connection with his position as a director. Mr. McCallum is also paid for a portion of his services to the Company through Dahrouge Geological Ltd.

(5) Mr. Bottomley was paid \$30,000 as director fees and \$57,500 under an agreement for the provision of capital markets services.

(6) Mr. Cohn was paid \$30,000 as director fees and \$30,000 under an agreement for the provision of services in respect of the Company's Queensland Australia projects.

(7) Mr. Power was paid \$12,000 as director fees.

### Stock Options and Other Compensation Securities

There were stock options granted to directors and NEOs by the Company during the year ended February 29, 2024, as follows:

#### Compensation Securities

Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry date
Alicia Milne President, CEO and Director	Stock options	100,000 stock options <sup>(1)</sup>	Mar 2, 2023	0.85	0.85	0.39	Mar 2, 2028
		100,000 underlying Shares					
		1.4% of stock options; 0.1% of Shares					
Jody Bellefleur CFO, Corporate Secretary and Director	Stock options	100,000 stock options <sup>(1)</sup>	Mar 2, 2023	0.85	0.85	0.39	Mar 2, 2028
		100,000 underlying Shares					
		1.4% of stock options; 0.1% of Shares					
Neil McCallum VP Exploration & Director	Stock options	200,000 stock options <sup>(1)</sup>	Mar 2, 2023	0.85	0.85	0.39	Mar 2, 2028
		200,000 underlying Shares					
		2.8% of stock options; 0.2% of Shares					
Kevin Bottomley Director	Stock options	100,000 stock options <sup>(1)</sup>	Mar 2, 2023	0.85	0.85	0.39	Mar 2, 2028
		100,000 underlying Shares					
		1.4% of stock options; 0.1% of Shares					
Simon Cohn Director	Stock options	100,000 stock options <sup>(1)</sup>	Mar 2, 2023	0.85	0.85	0.39	Mar 2, 2028
		100,000 underlying Shares					
		1.4% of stock options; 0.1% of Shares					

Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry date
Leo Power Director	Stock options	100,000 stock options <sup>(1)</sup>	Mar 2, 2023	0.85	0.85	0.39	Mar 2, 2028
		100,000 underlying Shares					
		1.4% of stock options; 0.1% of Shares					

<sup>(1)</sup> These stock options vest in their entirety on the grant date.

As at the year ended February 29, 2024, the following stock options were issued and outstanding to directors and NEOs:

Name	Number of Stock Options	Price per Option (\$)	Grant Date	Expiry Date
Alicia Milne	60,000	0.35	09/10/20	09/10/25
	500,000	0.20	12/07/21	12/07/26
	300,000	0.42	01/10/23	01/10/28
	100,000	0.85	03/02/23	03/02/28
Jody Bellefleur	22,857	0.35	09/10/20	09/10/25
	500,000	0.20	12/07/21	12/07/26
	250,000	0.42	01/10/23	01/10/28
	100,000	0.85	03/02/23	03/02/28
Kevin Bottomley	500,000	0.20	12/07/21	12/07/26
	300,000	0.42	01/10/23	01/10/28
	100,000	0.85	03/02/23	03/02/28
Simon Cohn	200,000	0.20	12/07/21	12/07/26
	250,000	0.42	01/10/23	01/10/28
	100,000	0.85	03/02/23	03/02/28
Leo Power	40,000	0.35	09/10/20	09/10/25
	250,000	0.20	12/07/21	12/07/26
	150,000	0.42	01/10/23	01/10/28
	100,000	0.85	03/02/23	03/02/28
Neil McCallum	300,000	0.42	01/10/23	01/10/28
	200,000	0.85	03/02/23	03/02/28

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

No stock options were exercised during the year ended February 29, 2024 by Named Executive Officers.

#### Stock Option Plans and Other Incentive Plans

The Company maintains the 2024 EIP which provides that Awards of Options, RSUs, PSUs and DSUs may be made to Eligible Persons.

## **Summary of Awards**

A summary of the types of Awards is described below, which are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the 2024 EIP, and will generally be evidenced by an award agreement.

### **Options**

Each Option entitles a holder thereof to purchase one Share at an exercise price determined by the Board at the time of the grant of the Option, provided that the exercise price of an Option granted under the 2024 EIP shall not be less than the Discounted Market Price (as defined in the policies of the TSX-V).

Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (10) years from the Grant Date (as defined below). Options granted to a Participant shall vest as determined by the Board on the Grant Date of such Options. If the Board does not specify a vesting schedule at the Grant Date, then Options granted to persons, other than those conducting Investor Relations Activities, shall vest fully on the Grant Date, and in any event in accordance with the policies of the TSX-V. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that: (a) no more than 1/4 of the Options vest no sooner than three months after the Grant Date; (b) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date; (c) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and (d) the remainder of the Options vest no sooner than 12 months after the Grant Date.

The 2024 EIP states that the exercise price of an Option should be paid in cash, however, "Cashless Exercise" may be effected when the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase the Shares underlying her, his or its Options, with the brokerage firm then selling a sufficient number of Shares to cover the exercise price of the Options in order to repay the loan made to the Participant. Upon such a Cashless Exercise, the brokerage firm involved receives a number of Shares from the exercise of a Participant's Options to repay the loan so provided, and the Participant receives the balance of Shares or the cash proceeds from the balance of such Shares.

### **Restricted Share Units**

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the 2024 EIP and the applicable award agreement, and which may be paid in cash and/or Shares. Subject to the provisions of the 2024 EIP, the Board may, from time to time, grant RSUs to Eligible Persons. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the 2024 EIP. Each RSU shall, contingent upon the lapse of any restrictions, represent one Share. All RSUs will vest and become payable by the issuance of Shares or a cash payment at the end of the restriction period if all applicable restrictions have lapsed, as such restrictions may be specified in the award agreement.

RSUs 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 a RSU is granted. The Board shall determine any vesting terms applicable to the grant of RSUs, however, no RSUs may vest before the date that is one (1) year following the date of the award.

As soon as practicable after each vesting date of a RSU, the Company shall, at the sole discretion of the Board, either: (a) issue to the Participant from treasury the number of Shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the 2024 EIP) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

## **Performance Share Units**

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the 2024 EIP and the applicable award agreement, and which may be paid in cash and/or Shares. Subject to the provisions of the 2024 EIP and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of PSUs to Eligible Persons. The number of PSUs to be awarded to any Participant shall be determined by the Board, in its sole discretion, in accordance with the 2024 EIP. Each PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one Share.

The Board will select, settle and determine the performance criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An award agreement may provide the Board with the right 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 performance criteria unfair unless a revision is made.

All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the Board on the determination date. No PSU may vest before the date that is one year following the date of the award.

Payment to Participants in respect of vested PSUs shall be made after the determination date for the applicable award and in any case within ninety-five (95) days after the last day of the performance cycle to which such award relates. The Company shall, at the sole discretion of the Board, either: (a) issue to the Participant the number of Shares equal to the number of PSUs that have vested on the determination date; or (b) make a cash payment in an amount equal to the Market Unit Price on the next trading day after the determination date of the PSUs that have vested, net of applicable withholdings.

## **Deferred Share Units**

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the 2024 EIP and the applicable award agreement, and which may be paid in cash and/or Shares.

Subject to the provisions of the 2024 EIP and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of DSUs to directors in lieu of fees (including annual Board retainers, chair fees, meeting attendance fees or any other fees payable to a director) or to other Eligible Persons as compensation for employment or consulting services. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the 2024 EIP and specified in the applicable Award Agreement. Each director may elect to receive any or all of their fees in DSUs under the 2024 EIP.

The number of DSUs shall be calculated by dividing the amount of fees selected by a director by the Market Unit Price on the Grant Date (or such other price as required under the Policies of the Exchange) which shall be the 10th business day following each financial quarter end. Any fractional DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional DSU. No DSUs may vest before the date that is one year following the date of the award of the DSU.

Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole

discretion of the Board, either: (a) that number of Shares equal to the number of vested DSUs credited to the Participant's account, such Shares to be issued from treasury of the Company; or (b) a cash payment in an amount equal to the Market Unit Price on the next trading day after the Participant ceases to be an Eligible Person of the vested DSUs, net of applicable withholdings.

### **Acceleration and Termination Provisions**

If the award agreement for the grant of an Option, RSU or PSU so provides, in the event of a Change of Control (as defined in the 2024 EIP), all Options, RSUs or PSUs granted to a Participant that ceases to be an Eligible Person shall become fully vested and, as applicable, shall become exercisable by the Participant in accordance with the terms of such award agreement and the 2024 EIP. No acceleration of the vesting of any Options issued to persons conducting Investor Relations Activities shall be permitted without prior Exchange review and acceptance. Upon death of a Participant holding DSUs that have vested, 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, a cash payment or Shares that would have otherwise been payable in accordance with the 2024 EIP to the Participant upon such Participant ceasing to be an Eligible Person.

Other than as may be set forth in the applicable award agreement and the 2024 EIP, upon the death of a Participant, any Options, RSUs or PSUs granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate. Any Options, RSUs or PSUs 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 2024 EIP and, in the case of Options, may be exercised by the Participant's estate within one year of the death of the Participant.

Where a Participant's relationship with the Company is terminated for cause, all Options, RSUs or PSUs granted to the Participant under the 2024 EIP will immediately terminate.

Where a Participant's relationship with the Company terminates by reason of termination without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options, RSUs or PSUs granted to the Participant under the 2024 EIP that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate. Notwithstanding the foregoing, that any Options, RSUs or PSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement, will: (a) in the case of Options, accrue to the Participant in accordance with the 2024 EIP and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an Eligible Person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date; (b) in the case of RSUs will accrue to the Participant in accordance with the 2024 EIP; and (c) in the case of PSUs, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed with the PSUs that the Board determines to have vested to become payable in accordance with the 2024 EIP.

Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an Eligible Person, all Options granted to the Participant under this 2024 EIP that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate. Notwithstanding the foregoing, that any Options, RSUs or PSUs granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to disability, had vested pursuant to the terms of the applicable award agreement, will: (a) in the case of Options, accrue to the Participant in accordance with the 2024 EIP and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an Eligible Person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date; (b) in the case of RSUs will accrue to the Participant in accordance with the 2024 EIP; and (c) in the case of PSUs, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the

performance cycle that has lapsed with the PSUs that the Board determines to have vested to become payable in accordance with the 2024 EIP.

### **Participation Limits**

The 2024 EIP provides that, so long as it may be required by the rules and Policies of the Exchange:

- (a) unless the Company has obtained disinterested Shareholder approval, the maximum aggregate number of Shares issuable to any Participant (as defined in the 2024 EIP) under the 2024 EIP, within any 12 month period, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated as at the date specified by the Board as the grant date at the time it granted the Option or Performance-Based Award or, if no such date was specified, the date upon which the Option or Performance-Based Award was actually granted (the “Grant Date”));
- (b) unless the Company has obtained disinterested Shareholder approval, the maximum aggregate number of Shares issuable to Insiders (as defined in the 2024 EIP) under the 2024 EIP, within any 12 month period, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated as at the Grant Date);
- (c) unless the Company has obtained disinterested Shareholder approval, the maximum aggregate number of Shares issuable to Insiders under the 2024 EIP, at any point in time, shall not exceed ten (10%) percent of the issued and outstanding Shares;
- (d) the maximum aggregate number of Shares issuable to any one Consultant (as defined in the 2024 EIP) under the 2024 EIP, within any 12 month period, shall not exceed two (2%) percent of the issued and outstanding Shares (calculated as at the Grant Date); and
- (e) the maximum aggregate number of Shares issuable pursuant to grants of Options to all investor relation service providers performing Investor Relations Activities (as defined in the 2024 EIP) under the 2024 EIP, within any 12 month period, shall not in aggregate exceed two (2%) percent of the issued and outstanding Shares (calculated as at the Grant Date). For the avoidance of doubt, persons performing Investor Relations Activities are only eligible to receive Options under the 2024 EIP; they are not eligible to receive any Performance-Based Award or other type of securities-based compensation under the 2024 EIP.

For further particulars on the 2024 EIP, please see “*Approval of Amendments to Equity Incentive Plan*”. The information in this Circular is intended as a brief description of the 2024 EIP and is qualified in its entirety by the full text of the 2024 EIP, a copy of which is attached as Schedule B to this Circular, for complete details.

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

The Company has the following employment, consulting, or other agreements with its NEOs which provide for termination or change of control benefits:

1. Pursuant to an Executive Management Agreement with Alicia Milne dated March 1, 2024, the Company pays Ms. Milne for management and operations responsibilities at an annual compensation of \$180,000. The agreement is for an indefinite term until terminated. If the agreement is terminated upon Change of Control, or for Good Reason, the Company is required to pay Ms. Milne two times annual compensation plus two times the average annual bonus paid, if any, during the last two full years of employment immediately upon such termination.
2. Pursuant to an Executive Management Agreement with Jody Bellefleur dated March 1, 2024, the Company pays for financial management and operations responsibilities at an annual compensation of \$90,000. The agreement is for an indefinite term until terminated. If the agreement is terminated upon Change of Control, or for Good Reason, the Company is required

to pay Ms. Bellefleur one times annual compensation plus one times the average annual bonus, if any, paid during the last two full years of employment immediately upon such termination.

3. Pursuant to a Management Agreement with Neil McCallum dated January 1, 2023, the Company pays for management and operations responsibilities at an annual compensation of \$30,000. The agreement is for an indefinite term until terminated. If the agreement is terminated upon Change of Control, or for Good Cause, the Company is required to pay Mr. McCallum 24 months annual compensation plus two times any bonus/incentive paid during the previous fiscal within three days of such termination.

### Oversight and Description of Director and NEO Compensation

The objectives of the Company’s compensation strategy is to align the interests of the Company’s NEOs, directors, employees and consultants with the interests of the shareholders. The Compensation Committee of the Board of Directors of the Company consists of three independent directors: Simon Cohn (Chair), Kevin Bottomley and Leo Power.

The overall objective of the Company’s compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest caliber and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer in this regard. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

The compensation of the NEOs and directors of the Company, if any, is reviewed by the Compensation Committee on a periodic basis with reference to the Company’s peer groups, state of business affairs as well as any specific criteria that may arise. The compensation of the NEOs and directors is recommended for approval to the Board of Directors of the Company. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

The Company currently has a short-term compensation component in place, which may include the accrual and/or payment of management fees to certain NEOs, and a long-term compensation component in place, consisting of the grant of stock options under the Equity Incentive Plan. The Company intends to further develop these compensation components. The Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the position of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium-term compensation component.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at February 29, 2024, information regarding the outstanding stock options, warrants and rights granted by the Company under its equity compensation plan.

Plan Category	Number of Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	7,154,285 <sup>(1)</sup>	\$0.39	1,787,312

Plan Category	Number of Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by securityholders	n/a	-	n/a
<b>Total</b>	<b>7,154,285</b>	<b>\$0.39</b>	<b>1,787,312</b>

<sup>(1)</sup> This balance is comprised of all Options. The Company granted 1,500,000 stock options after the most recently completed fiscal year ended February 29, 2024. There were no RSUs, DSUs or PSUs outstanding under the EIP as at February 29, 2024 or as of the date hereof.

## CORPORATE GOVERNANCE

Corporate Governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) of the Canadian Securities Administrators requires the Company to disclose in this Circular a summary of the corporate governance policies that the Company has in place.

**Board of Directors:** Leo Power, Kevin Bottomley and Simon Cohn are independent within the meaning of NI 58-101. Alicia Milne, Jody Bellefleur and Neil McCallum are not independent as they are executive officers of the Company.

**Directorships:** The following members of the board of directors of the Company are also directors of other reporting issuers:

Name of Director	Names of other Reporting Issuers
Alicia Milne	Saville Resources Inc. Sceptre Ventures Inc. V Ten Capital Corp.
Jody Bellefleur	Sceptre Ventures Inc. Lion Rock Resources Inc. Apex Critical Metals Corp.
Kevin Bottomley	Lion Rock Resources Inc. Genix Pharmaceuticals Corp. Zimtu Capital Corp. V Ten Capital Corp. Saville Resources Inc.
Simon Cohn	V Ten Capital Corp.
Neil McCallum	Atco Mining Inc. Standard Uranium Ltd.
Leo Power	York Harbour Metals Inc.

**Orientation and Continuing Education:** While the Company does not have formal orientation or training programs for new board members, new board members are provided with full access to the Company’s records, including all publicly filed documents of the Company, technical reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management’s assistance and to attend related industry seminars.

**Ethical Business Conduct:** Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and its business operations.

**Nomination of Directors:** The Nominating and Corporate Governance Committee of the Board of Directors (the "NCG Committee") consists of three directors: Kevin Bottomley (Chair), Leo Power and Neil McCallum. The NCG Committee has the responsibility for assessing the perceived needs on the Board for required skill, expertise and independence, amongst other factors, and then identifying potential Board candidates that may be suitable. Any potential board appointments are then recommended to the Board of Directors.

**Compensation:** Compensation is determined by the Compensation Committee and is based on the compensation paid for directors and senior officers of companies of a similar size and stage of development. The appropriate compensation reflects the need to provide incentive and compensation for the time and effort expended by the directors and its management while taking into account the financial and other resources of the Company.

**Other Board Committees:** The Board also has a Health, Safety, Environment & Community Committee ("HSEC Committee") in place. The current members of the HSEC Committee are Alicia Milne (Chair), Neil McCallum and Simon Cohn.

**Assessments:** The Board conducts periodic and informal assessments of the Board's effectiveness, its individual directors and its committees.

#### AUDIT COMMITTEE

Under National Instrument 52-110 *Audit Committees* ("NI 52-110"), venture issuers are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor.

**Audit Committee Charter:** Pursuant to NI 52-110, the Company is required to include a summary of the audit committee responsibilities, composition and authority. The Company's Audit Committee is governed by an Audit Committee Charter, a copy of which is attached as Schedule A.

**Composition of the Audit Committee:** As at the Record Date, the Company's audit committee is comprised of Leo Power (Chair), Kevin Bottomley and Alicia Milne. All of the audit committee members are "financially literate". Messrs. Power and Bottomley are independent as that term is defined in NI 52-110. Ms. Milne is not independent as she is the current President & CEO.

#### Relevant Education and Experience

*Leo Power:* Mr. Power has an Executive MBA (Joint Kellogg-Schulich) and holds a Master of Oil and Gas Studies (Memorial University, Newfoundland) with international project finance and development experience managing both private and public companies.

*Kevin Bottomley:* Mr. Bottomley is an accomplished capital markets advisor with a key focus on public venture capital. He is the founder of Corvidian Capital Inc. and has been instrumental in raising over \$100M for early to mid-stage ventures and has a strong network of global investors spanning from North America to Europe & Asia.

*Alicia Milne:* Ms. Milne is a legal professional with over 20 years of securities and corporate administrative experience of public companies and has been an independent director of numerous private and public companies.

**Audit Committee oversight:** At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

**Reliance on Certain Exemptions:** At no time since the commencement of the Company's most recently completed

financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

**Pre-approval Policies and Procedures:** The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company’s Audit Committee Charter (see under the heading “External Auditor”).

**External Auditor Service Fees:** In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

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

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
February 29, 2024	\$22,000	-	\$2,250	-
February 28, 2023	\$25,000	-	-	-

The Company is a venture issuer and as such, is relying on section 6.1 of NI 52-110 which provides that a venture issuer is not required to comply with Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

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

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company or any of its subsidiaries since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Circular.

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

Except as disclosed elsewhere in this Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company’s last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the approval of the Equity Incentive Plan as such persons are eligible to participate in the Equity Incentive Plan.

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

No informed person of the Company, proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company has had any material interest, direct or indirect, in any transaction since the beginning of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, if any.

“**Informed person**” means

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution of it; and
- (d) the Company has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

#### **ADDITIONAL INFORMATION**

Financial information is provided in the Company's comparative financial statements for the year ended February 29, 2024 as well as the Management Discussion & Analysis for the year ended February 29, 2024 which are available, along with additional information relating to the Company, on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or by contacting the Company at (800) 482-7560 or by email at [info@Q2metals.com](mailto:info@Q2metals.com).

#### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED this 7<sup>th</sup> day of October, 2024.

**By Order of the Board of Directors of**

**Q2 METALS CORP.**

**Alicia Milne**

Chief Executive Officer, President and Director

## SCHEDULE A

### Q2 METALS CORP.

#### Audit Committee Charter

##### PURPOSE

The Audit Committee (the “**Committee**”) will consist of a majority of independent directors and is appointed by the Board of Directors (the “**Board**”) of Q2 Metals Corp. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation.

The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation’s outside auditors (the “Independent Auditors”), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval. In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

##### AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

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

## COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange (the “TSXV”), the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be “financially literate” (as defined by applicable securities laws and regulations).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

## RESPONSIBILITIES

### Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.
5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

## **INDEPENDENT AUDITORS**

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services (including, without limitation, the review of any interim financial statements of the Corporation by the Independent Auditors at the discretion of the Committee) not prohibited by law to be provided by the Independent Auditors.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

## **OTHER RESPONSIBILITIES**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

**SCHEDULE B**

**Q2 METALS CORP.**

**2024 Equity Incentive Plan**

**[See attached]**



**Q2 METALS CORP.  
(THE "COMPANY")**

**EQUITY INCENTIVE PLAN**

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

**1.1 Purpose**

The purpose of this equity incentive plan (the "**Plan**") is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of Eligible Persons; (ii) encouraging such Eligible Persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

**1.2 Type of Plan**

The Plan is composed of: (i) a 10% "rolling" plan, permitting the issuance of up to ten percent (10%) of the issued and outstanding Shares in respect of aggregate Options granted hereunder, calculated as at the date of grant or issuance of such Awards; and (ii) a 10% "fixed" plan, permitting the issuance of up to 13,041,422 Shares in respect of aggregate Performance-Based Awards, other than Options, granted hereunder.

**SECTION 2  
DEFINITIONS**

**2.1 Definitions**

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

- (a) "**Award**" means any award of Options, RSUs, PSUs or DSUs granted under this Plan;
- (b) "**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;
- (c) "**Blackout Period**" means a period of time during which the Company prohibits Participants from exercising, redeeming or settling an Award due to the existence of undisclosed material information and pursuant to a formal notice provided by the Company under a trading policy, which Blackout Period must expire promptly following general disclosure of the undisclosed material information;
- (d) "**Board**" means the board of directors of the Company or, if the context permits, any of its Subsidiaries, as applicable;
- (e) "**Change of Control**" means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities (as such terms are interpreted in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a person "acting jointly or in concert" with another person, as that phrase is interpreted in National Instrument 62-103, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;

- (f) **“Company”** means Q2 Metals Corp., a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (g) **“Consultant”** means a Person (other than a Director, Officer or Employee) that:
- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary 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 any of its Subsidiaries and the Person, as the case may be; and
  - (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 any of its Subsidiaries.
- (h) **“Deferred Share Unit”** or **“DSU”** means a right granted to a Participant as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, all as provided in Section 5.4 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and /or Shares;
- (i) **“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;
- (j) **“Director”** means a member of the Company’s Board or the Board of any of its Subsidiaries;
- (k) **“Discounted Market Price”** means the Market Price of the Shares, less a discount set forth below, subject to a minimum price of \$0.05:

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 - \$2.00	20%
above \$2.00	15%

- (l) **“Disability”** means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (m) **“Effective Date”** has the meaning ascribed thereto in Section 8;
- (n) **“Election Form”** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;
- (o) **“Eligible Person”**, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries but, when used in connection with PSUs, RSUs or DSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;
- (p) **“Employee”** means:
- (i) an individual who is considered an employee of the Company or any of its Subsidiaries under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;

- (ii) an individual who works full-time for the Company or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its Subsidiaries over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Company or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week acceptable to the Exchange, who provides services normally provided by an employee and is subject to the same control and direction by the Company or its Subsidiary over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source;
- (q) **“Exchange”** means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (r) **“Fees”** means the annual Board retainer, chair fees, meeting attendance fees or any other fees payable to a Director;
- (s) **“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;
- (t) **“Insider”** has the meaning attributed to it in the Securities Act;
- (u) **“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; or
    - (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;

- (v) **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (w) **“Management Company Employee”** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the Company’s business enterprise;
- (x) **“Market Price”** means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the Grant Date);
- (y) **“Market Unit Price”** means the value of a Share determined by reference to the five-day volume-weighted average closing price of a Share for the five Trading Day period immediately preceding the relevant date;
- (z) **“Officer”** means an officer (as defined in the Securities Act or, where the Securities Act does not apply, by other applicable securities laws) of the Company or any of its Subsidiaries;
- (aa) **“Option”** means incentive share purchase options entitling the holder thereof to purchase Shares, at a specified price for a specified period of time;
- (bb) **“Participant”** means any Eligible Person to whom Awards under this Plan are granted;
- (cc) **“Participant’s Account”** means a notional account maintained for each Participant’s participation in this Plan which will show any RSUs, PSUs and/or DSUs credited to a Participant from time to time;
- (dd) **“Performance-Based Award”** means, collectively or as applicable, Performance Share Units, Restricted Share Units and Deferred Share Units;
- (ee) **“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 Performance Share Units;
- (ff) **“Performance Cycle”** means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (gg) **“Performance Share Unit”** or **“PSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (hh) **“Person”** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (ii) **“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 be no less than 12 months;
- (jj) **“Restricted Share Unit”** or **“RSU”** means a right awarded to a Participant as compensation for employment or consulting services or services as a Director or Officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as

provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and / or Shares;

- (kk) **“Retirement”** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (ll) **“Securities Act”** means the *Securities Act* (British Columbia), as amended, from time to time;
- (mm) **“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 plan, including the 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 full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (nn) **“Shares”** means the common shares of the Company;
- (oo) **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (pp) **“Termination Date”** means, as applicable:
  - (i) in the event of a Participant’s Retirement, voluntary termination, voluntary resignation or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and
  - (ii) in the event of termination of the Participant’s employment 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;
- (qq) **“Trading Day”** means any day on which the Exchange is open for trading; and
- (rr) **“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**

#### **3.1 Board to Administer Plan**

Except as otherwise provided herein, this Plan shall be administered by the Board of the Company (and, for clarity, not by the Board of any subsidiary of the Company) and the Board of the Company 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 of the Company may deem necessary in order to comply with the requirements of this Plan.

#### **3.2 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 such committee as the Board may determine.

### 3.3 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.

### 3.4 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

### 4.1 Limitations on Shares Available for Issuance

- (a) The aggregate number of Shares issuable under this Plan in respect of:
  - (i) Options shall not exceed ten percent (10%) of the issued and outstanding Shares of the Company at any point in time;
  - (ii) Performance-Based Awards shall not exceed 13,041,422 (the “**PBA Limit**”), and Shares issued in respect of exercise or settlement of Performance-Based Awards shall not be available for grant again under the Plan unless the Company receives the requisite shareholder approval and approval of the Exchange.
- (b) So long as it may be required by the rules and policies of the Exchange:
  - (i) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any Participant under this Plan, within any twelve (12) month period, shall not exceed five percent (5%) of the issued and outstanding Shares (calculated on the Grant Date);
  - (ii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate total number of Shares issuable to Insiders under this Plan, within any twelve (12) month period, shall not exceed ten percent (10%) of the issued and outstanding Shares (calculated as at the Grant Date);
  - (iii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, at any point in time, shall not exceed ten percent (10%) of the issued and outstanding Shares;
  - (iv) the maximum aggregate number of Shares issuable to any one Consultant within any twelve (12) month period shall not exceed two percent (2%) of the issued and outstanding Shares calculated as at the Grant Date; and
  - (v) the maximum aggregate number of Shares issuable pursuant to grants of Options to all Investor Relation Service Providers performing Investor Relations Activities, within any twelve (12) month period, shall not exceed two percent (2%) of the issued and outstanding Shares (calculated as at the Grant Date). For the avoidance of doubt, Persons performing

Investor Relations Activities are only eligible to receive Options under this Plan; they are not eligible to receive any Performance-Based Award or other type of securities-based compensation under this Plan.

#### **4.2 Accounting for Awards**

For purposes of this Section 4:

- (a) 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
- (b) notwithstanding anything herein to the contrary, 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, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

#### **4.3 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, subject to the prior acceptance of the Exchange in the case of a recapitalization, make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Options, RSUs, PSUs or DSUs 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.

### **SECTION 5 AWARDS**

#### **5.1 Options**

- (a) 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 Options to Eligible Persons. Options granted to an Eligible Person 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. Each Option shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- (b) Exercise Price - The exercise price of an Option granted under this Plan shall not be less than the Discounted Market Price, provided that if an Option is proposed to be granted by the Company immediately after it has been recalled for trading following a suspension or halt, the Company must wait at least ten (10) Trading Days following the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option.
- (c) Expiry Date - Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (10) years from the Grant Date.
- (d) Different Exercise Periods, Prices and Number - The Board may, in its absolute discretion, upon granting Options under this Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise his option during each respective time period.

- (e) Vesting - Subject to the discretion of the Board, the Options granted to a Participant under this Plan shall vest as determined by the Board on the Grant Date of such Options. If the Board does not specify a vesting schedule at the Grant Date, then Options granted to persons other than those conducting Investor Relations Activities shall vest fully on the Grant Date, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of twelve (12) months such that:
- (i) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
  - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Grant Date.
- (f) Change of Control – If the Award Agreement so provides, in the event of a Change of Control, all Options granted to a Participant who ceases to be an Eligible Person shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.1(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.
- (g) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options 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 5.1(l) hereof.
- (h) Termination of Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Options 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.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options 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 Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an Eligible Person, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board, provided such period does not exceed twelve (12) months after the Termination Date.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Options under this Plan shall cease as of the Termination Date.
- (i) Disability - Where 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, however*, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Options 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 Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Termination Date, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board, provided such period does not exceed twelve (12) months after the Termination Date.
- (j) Hold Period - In addition to any resale restrictions under applicable legislation or regulation, all Options granted hereunder and all Shares issued on the exercise of such Options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:
- "Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date]."
- (k) Notice - Options shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- (l) Payment of Award - Subject to any vesting or other limitations described in each individual Award Agreement, Options may be exercised in whole or in part at any time prior to their lapse or termination or, by the Participant, if Section 5.1(g) applies, by the Participant's estate within one year of the death of the Participant, into such number of Shares equal to the number of Options credited to the Participant's Account that become exercisable on the Vesting Date. Shares purchased by a Participant on exercise of an Option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).
- (m) Cashless Exercise - The exercise price of an Option should be paid in cash, however, "Cashless Exercise" may be effected when the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase the Shares underlying her, his or its Options, with the brokerage firm then selling a sufficient number of Shares to cover the Exercise Price of the Options in order to repay the loan made to the Participant. Upon such a Cashless Exercise, the brokerage firm involved receives a number of Shares from the exercise of a Participant's Options to repay the loan so provided, and the Participant receives the balance of Shares or the cash proceeds from the balance of such Shares.

## 5.2 Restricted Share Units

- (a) 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 that do not perform Investor Relations Activities. 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.
- (b) 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.
- (c) 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. No Restricted Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control - If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, 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 5.2(h) hereof.
- (e) 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 5.2(h) hereof.
- (f) Termination of a Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, 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.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation 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 and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
  
- (g) Disability - Where 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 a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, 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 and the Participant shall have no right, title or interest therein whatsoever; *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 5.2(h) hereof.
  
- (h) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall, at the sole discretion of the Board, either:
  - (i) issue to the Participant, or if Section 5.2(e) applies, to the Participant's estate, from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the Vesting Date; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Vesting Date of the Restricted Share Units credited to a Participant's Account that have vested and become payable, net of applicable withholdings.

As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

### 5.3 Performance Share Units

- (a) 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 Eligible Persons that do not perform Investor Relations Activities. 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. 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. No Performance Share Units may vest before the date that is one year following the date of the Award.
  
- (b) 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 Performance Criteria unfair

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.

- (c) 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. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, 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 5.3(h) hereof.
- (e) 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 5.3(h) hereof.
- (f) Termination of a Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, 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.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which have not vested will, unless the 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, and the Participant 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 5.3(h) hereof.
  - (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where 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 a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, 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 terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *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 5.3(h) hereof.

- (h) Payment of Award - 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-five (95) days after the last day of the Performance Cycle to which such Award relates. The Company shall, at the sole discretion of the Board, either:
- (i) issue to the Participant, or if Section 5.3(e) applies, the Participant's estate, the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Determination Date of the Performance Share Units credited to a Participant's Account that have vested, net of applicable withholdings.

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

#### **5.4 Deferred Share Units**

- (a) 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 that do not perform Investor Relations Activities in lieu of Fees or to other Eligible Persons that do not perform Investor Relations Activities as compensation for employment or consulting services. Deferred Share Units granted to a Participant in accordance with Section 5.4 hereof shall be credited, as of the Grant Date, to the Participant's Account. The number of Deferred Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The number of Deferred Share Units shall be specified in the applicable Award Agreement.
- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Directors regarding the amount of their Fees 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 Fees for the following year. Any Director who becomes a Director during a calendar year and wishes to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within sixty (60) days of becoming a Director.
- (c) Calculation of Deferred Share Units Granted in Lieu of Fees - The number of Deferred Share Units to be credited to a Participant's Account where the Participant is a Director who has elected to receive Deferred Share Units in lieu of Fees shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant that is a Director 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.

- (d) Vesting - No Deferred Share Units may vest before the date that is one year following the date of the Award.
- (e) Payment of Award - Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:
  - (i) that number of Shares equal to the number of vested Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company (provided that such issuance will not result in the number specified Section 4.1(b) being exceeded); or
  - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the vested Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (f) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (g) Death - Upon death of a Participant holding Deferred Share Units that have vested, the Participant's estate shall be entitled to receive, within one hundred and twenty (120) days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.4(d) hereof to the Participant upon such Participant ceasing to be an Eligible Person.

## 5.5 General Terms Applicable to Awards

- (a) 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 a relationship for cause, violation of material Company policies, fraud, breach of non-competition, 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.
- (b) Awards May be Granted Separately or Together - 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. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards - 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 and only then if permitted by the Policies of the Exchange. 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.

- (d) 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:
- (i) restrictions under an insider trading policy or pursuant to applicable law;
  - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by the Participant; and
  - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.
- (e) Blackout Periods – In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed Material Information, the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).
- (f) 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.
- (g) 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 to become, in all respects, in conformity with this Plan.
- (h) Deductions - Whenever cash is to be paid in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, 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 in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, 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, all in accordance with the Policies of the Exchange, 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 deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (i) Evergreen Plan - Shares that were the subject of any Award made under this Plan that has been settled in cash, or that has been cancelled, terminated, surrendered, forfeited or has expired without

being exercised, and pursuant to which no securities have been issued, may continue to be issuable under this Plan.

## **5.6 General Terms Applicable to Performance-Based Awards**

- (a) 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, shall 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:
- (i) judgments entered or settlements reached in litigation;
  - (ii) the write-down of assets;
  - (iii) the impact of any reorganization or restructuring;
  - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
  - (v) 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;
  - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures; and
  - (vii) foreign exchange gains and losses.
- (b) 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**

### **6.1 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 disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and
- (c) 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 (except that the Exchange

may require approval of the shareholders of the Company for amendments pursuant to Sections 6.1(c)(iii) to 6.1(c)(vii) for any of the following amendments:

- (i) amendments of a “housekeeping nature”;
- (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
- (iv) amendments respecting administration and eligibility for participation under this Plan;
- (v) amendments to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Awards;
- (vi) with the exception of Options granted to Persons performing Investor Relations Activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
- (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

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

## **6.2 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:

- (a) 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 Policy of the Exchange or any accounting standard; or
- (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

## **SECTION 7 GENERAL PROVISIONS**

### **7.1 No Rights to Awards**

No 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. There is no obligation for uniformity of treatment of Eligible Persons or Participants or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each Participant. The Company and each Eligible Person qualifying for an Award are and shall be responsible for ensuring and confirming that each recipient of an Award is a bona fide Eligible Person that qualifies to receive the applicable Award.

## **7.2 Withholding**

The Company shall be authorized to withhold any payment due under any Award or under this Plan until the Participant has paid or made arrangements for the payment of the amount of any withholding taxes due in respect of an Award, its exercise, or any payment under such Award or under this Plan.

## **7.3 No Right to Employment**

The grant of an Award shall neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company, or to any other relationship with the Company. Further, the Company may at any time dismiss a Participant, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable Award Agreement.

## **7.4 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 Options, RSUs, PSUs and/or DSUs until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

## **7.5 Governing Law**

This Plan and all of the rights and obligations arising hereunder shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **7.6 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.

## **7.7 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.

## **7.8 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.

## **7.9 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.

#### **7.10 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.

#### **7.11 No Representations or Covenant 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.

#### **7.12 Conflict with Award Agreement**

In the event of any inconsistency or conflict between the Policies of the Exchange, this Plan and an Award Agreement, the Policies of the Exchange shall govern for all purposes. 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.

#### **7.13 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, as well as the Policies of the Exchange as in effect from time-to-time, 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:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) 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**

#### **8.1 Effective Date**

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board.

### **SECTION 9 TERM OF THIS PLAN**

#### **9.1 Term**

This Plan shall terminate automatically ten (10) years after the Effective Date and may be terminated on any earlier date as provided in Section 6 hereof.