



**PJX RESOURCES INC.**  
**Suite 3400 One First Canadian Place**  
**Toronto, Ontario M5X 1A4**

**MANAGEMENT INFORMATION CIRCULAR**  
**GENERAL PROXY INFORMATION**

**May 14, 2024**

**Solicitation of Proxies**

**This management information circular (“Management Information Circular”) is furnished in connection with the solicitation of proxies by the management and the directors of PJX RESOURCES INC.** (the “Corporation” or the “Company”) for use at the annual and special meeting of the shareholders of the Corporation (the “Meeting”) to be held to be held at the offices of **Bennett Jones LLP, 34<sup>th</sup> Floor, One First Canadian Place, Toronto, Ontario**, or by teleconference, at **1:00 p.m. Eastern Time (“ET”) on June 18, 2024**, and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the “Notice of Meeting”). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation (“Common Shares”) in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of the solicitation will be borne by the Corporation.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and a form of proxy to intermediaries such as clearing agencies, securities dealers, banks and trust companies or their nominees for onward distribution to non-registered shareholders of the Corporation whose Common Shares are held by or in custody of such intermediaries. Intermediaries are required to forward these documents to non-registered shareholders of the Corporation. The solicitation of proxies from non-registered shareholders of the Corporation will be carried out by intermediaries or by the Corporation if the names and addresses of non-registered shareholders of the Corporation are provided by the intermediaries. The cost of the solicitation will be borne by the Corporation. Non-registered shareholders of the Corporation who wish to file proxies should follow the instructions of their intermediary with respect to the procedure to be followed. Generally, non-registered shareholders of the Corporation will either (a) be provided with a proxy executed by the intermediary, as the registered shareholder of the Corporation, but otherwise uncompleted and the non-registered shareholder of the Corporation may complete the proxy and return it to Computershare Investor Services Inc., or (b) be provided with a request for voting instructions by the intermediary, as the registered shareholder of the Corporation, in which case the intermediary must send to Computershare Investor Services Inc. an executed proxy completed in accordance with any voting instructions received from the non-registered shareholder of the Corporation and may not vote the common shares represented by the proxy in the event that no instructions are received.

In either case, the purpose of these procedures is to permit non-registered shareholders to direct the voting of the Common Shares they beneficially own. Should a non-registered shareholder who receives either a

voting instruction form or a form of proxy wish to attend the meeting and vote in person (or have another person attend and vote on behalf of the non-registered shareholder), the non-registered shareholder should strike out the names of the persons named in the form of proxy and insert the non-registered shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instructions form, follow the directions indicated on the form. In either case, non-registered shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.

No person is authorized to give any information or to make any representation other than those contained in this Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Management Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Management Information Circular.

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

**The persons named in the form of proxy accompanying this Management Information Circular are directors and/or officers of the Corporation. A shareholder of the Corporation has the right to appoint a person (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Computershare Trust Company of Canada in time for use at the Meeting in the manner specified in the Notice of Meeting.**

A shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by (a) depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or by his or her attorney authorized in writing or by electronic signature or, if the shareholder is a corporation, by an officer or attorney thereof properly authorized, either (i) at the registered office of the Corporation, Suite 3400 1 First Canadian Place, Toronto, Ontario M5X 1A4, (ii) with Computershare Investor Services Inc., 9th Floor, North Tower, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time prior to 11:00 a.m. ET two business days preceding the day of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof, (b) transmitting, by telephonic or electronic means, a revocation that complies with sub-paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be, or (c) in any other manner permitted by law including attending the Meeting in person.

A non-registered shareholder who has submitted a proxy may revoke it by contacting the intermediary through which the non-registered shareholder's Common Shares are held and following the instructions of the intermediary respecting the revocation of proxies.

### **Exercise of Discretion by Proxies**

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions thereon. If the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting.**

**The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof.** As at the date hereof, management of the Corporation

knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

### **Proxy Voting Options**

If you are a registered Shareholder, you may elect to submit a proxy in order to vote whether or not you are able to attend the Meeting in person. In order to vote by mail, you must complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc., at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by telephone to 1-866-732-VOTE (8683) or internet at [www.investorvote.com](http://www.investorvote.com) at any time up to and including 1:00 p.m. ET on June 14, 2024. Advice to Beneficial Holders of Common Shares The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Beneficial Shareholders should note that only Proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. 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). Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the form of Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada ("Broadridge") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instrument form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting. Alternatively, you may request in writing that your broker send you a legal Proxy which would enable you, or a person designed by you, to attend at the Meeting and vote your Common Shares.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than as disclosed herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

### Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares. Each Common Share entitles the holder of record thereof to one vote at all meetings of the shareholders of the Corporation. As at the close of business on May 14, 2024, there were 174,087,637 Common Shares outstanding.

### Record Date

The directors of the Corporation have fixed May 14, 2024, as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting. Shareholders of record of the Corporation at the close of business on May 14, 2024, will be entitled to vote at the Meeting and at all adjournments thereof, except to the extent that a shareholder has transferred any Common Shares after the record date.

### Ownership of Securities of the Corporation

As at May 14, 2024, to the knowledge of the directors and officers of the Corporation, each of the following entity beneficially owns or controls or directs, directly or indirectly, voting securities of the Corporation carrying more than ten per cent of the voting rights attaching to the Common Shares.

Name	Type of Ownership	Number of Outstanding Voting Securities Held	Percentage of Outstanding Voting Securities
George Patton	Direct and Exercise Control	19,861,274	11.41

As at May 14, 2024, the directors and officers of the Corporation own or control, or direct, directly or indirectly, in the aggregate, 4,863,108 Common Shares, representing approximately 2.8 per cent of the issued and outstanding Common Share

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Corporation's management team.

The main objectives the Corporation hopes to achieve through its compensation are to:

- attract, retain and motivate executives critical to the success of the Corporation;
- provide fair, competitive and cost-effective compensation programs to its executives;
- link the interests of management with those of the holders of Common Shares; and
- provide rewards for outstanding corporate and individual performance.

It is one of the aims of the compensation strategy to ensure that Named Executive Officers of the Corporation are paid reasonably and consistent with the level of responsibility and authority which they assume and taking into account the role they play in advancing the strategic objectives of the Corporation.

The significant elements of compensation paid to the Corporation's officers are:

- base salary;
- annual incentive compensation (bonuses); and
- long-term incentive compensation in the form of stock options.

### *Base Salary*

Base salary is the principal component of an executive officer's compensation package and it is an important component of the compensation strategy for the executives of the Corporation. The success of the Corporation in continuously delivering value for shareholders is largely determined by the quality and consistency of the Corporation's strategy and how well the Corporation can execute on its development plans. In this regard, it is very important to ensure that its base salary compensation programs are designed to attract, motivate and retain the executives required for this crucial phase of development for the Corporation. Base salary levels take into account the officers' individual responsibilities, experience, performance and contribution toward enhancing shareholder value. Annual base salaries are established based on the experience of the members of the compensation committee. External consultants are not used.

### *Incentive Compensation*

The determination of annual incentives for each of the Named Executive Officers is subjective and relies on compensation committee discussion without formalized objectives. However, the compensation committee will consider:

- the Corporation's overall performance; and
- the senior officers; contribution to that performance, including their contribution in respect of activities such as advancement of material mineral projects; marketing of the Corporation and completion of capital raising transactions, improvement in corporate governance through creation and implementation of policies and procedures and improvement in internal reporting, cost control and budgeting.

### *Stock Options*

For a discussion of the Corporation's share option plan, please see discussion under "Annual Approval of Share Incentive Plan" below.

Stock options to purchase the Corporation's common shares and share purchase plans encourage executive officers to own and hold the Corporation's common shares and are another method of linking the performance of the Corporation and the appreciation of share value to the compensation of the executive officers. When determining the number of stock options granted to an executive officer, items such as the relative position of the individual officer, the contribution made by that officer during the review period, and the number of options granted previously would be taken into consideration.

### *Managing Compensation Risk*

The Corporation believes that shareholder value is driven by exploration success and by the execution of strategic initiatives such as corporate development, market success and organization performance. Given the historical stage of development of the Corporation, compensation has focussed on meaningful stock option awards. The Corporation has also emphasized annual cash bonuses. There is an element of risk of placing an overemphasis on share value, which potentially could be detrimental to the Corporation however the compensation committee believes that the compensation levels and programs do not encourage the executives to take on an inappropriate level of risk. The following risk mitigation features exist within the compensation program:

- no single metric or objective can significantly impact executive compensation in a given year;
- a significant portion of executive compensation is variable or at risk but has a maximum limit on payouts; and
- compensation is balanced between short and long-term elements and between cash and equity components.

To the best knowledge of the Corporation, no executive of the Corporation engages in speculative activities in respect of any securities of the Corporation. Currently, the Corporation does not have a policy that prohibits a Named Executive Officer or director from purchasing financial instruments designed to hedge or offset a decrease in the market value of equity securities of the Corporation granted as compensation or held directly or indirectly by the Named Executive Officer or director.

## Summary Compensation Table for Named Executive Officers

The following table contains information about the compensation paid to, or earned during the Corporation's last three financial years, by the Corporation's President & Chief Executive Officer and Chief Financial Officer & Secretary. The persons depicted in the table are the only executive officers of the Corporation whose total compensation for the financial year ended December 31, 2023, exceeded \$150,000 (collectively the "Named Executive Officers" or "NEO").

Unless otherwise noted, none of the persons depicted in the table received any share-based awards, non-equity long-term incentive plan compensation or deferred compensation earnings during the years shown.

During the financial year ended December 31, 2023, none of the Named Executive Officers in the table elected to exchange any compensation awarded to, earned by, paid to, or payable to the Named Executive Officer under a program that would allow the Named Executive Officer to receive awards, earnings, payments, or payables in another form.

Name and Principal Position	Fiscal Period Ending	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
(A)	(B)	(C)	(D)	(E)	(F1)	(F2)	(G)	(H)	(I)
John Keating President, CEO and Director <sup>(2)(4)</sup>	2023	\$175,000	Nil	Nil	Nil	Nil	Nil	Nil	\$175,000
	2022	\$175,000	Nil	Nil	Nil	Nil	Nil	Nil	\$175,000
	2021	\$159,500	Nil	\$47,809	Nil	Nil	Nil	Nil	\$207,309
Linda Brennan, CFO, Director & Secretary <sup>(3)(4)</sup>	2023	\$145,000	Nil	Nil	Nil	Nil	Nil	Nil	\$145,000
	2022	\$145,000	Nil	Nil	Nil	Nil	Nil	Nil	\$145,000
	2021	\$132,500	Nil	\$47,809	Nil	Nil	Nil	Nil	\$180,309

### Notes:

- (1) The Corporation follows the fair value method of accounting for all stock-based compensation arrangements. The values reported represent an estimate of the grant date fair value of the options calculated in accordance with the Black-Scholes option pricing model. The Black-Scholes model is a pricing model that may or may not reflect the actual value of the options. The model requires certain assumptions at the time the options are granted.  
For options granted on September 13, 2021, the assumptions were: risk-free interest rate (0.82%), exercise price of the Option (\$0.20), expected dividend yield (0%), expected life (5 years) and share price volatility (106%).  
All input variables are estimates of management. The options have not and may never be exercised and the actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise. All input variables are estimates of management. The options have not and may never be exercised and the actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Mr. John Keating was a NEO and also a director of the Corporation for the financial year ended December 31, 2023. Mr. Keating was not compensated for his role as a director of the Corporation.
- (3) Ms. Linda Brennan was a NEO and also a director of the Corporation for the financial year ended December 31, 2023. Ms. Brennan was not compensated for her role as a director of the Corporation.
- (4) On May 3, 2024, Mr. Keating and Ms. Brennan were each awarded incentive stock options of 2,450,000 respectively.

### Named Executive Officer Employment Agreements

John Keating and Linda Brennan (each an "Executive") each entered into respective employment agreements with the Corporation (each an "Employment Agreement"), effective September 15, 2021, and retro-active to July 1, 2021.

Pursuant to each of their respective Employment Agreements, John Keating is paid an annual base salary of \$175,000 and Linda Brennan is paid an annual base salary of \$145,000. Each Executive is also eligible

to receive an annual incentive bonus of up to 25% of his/her annual base salary. No bonuses were paid during the financial year ended December 31, 2023.

Under each respective Employment Agreement, if an Executive provides the Corporation with a written notice of resignation at least six weeks in advance of the effective date of his/her resignation (the “**Notice of Resignation Period**”), and the Corporation waives such notice in whole or in part, the Executive will receive: (i) his/her base salary until the last day of the Notice of Resignation Period, (ii) continued eligibility to participate in any existing Corporation group benefits plan until the last day of the Notice of Resignation Period, (iii) a payment equal to the value of any unused vacation leave for the *pro rata* portion of the calendar year up to the last day of the Notice of Resignation Period and (iv) any accrued but unpaid vacation time and business expenses. Any options that vest or have vested on or prior to the last day of the Notice of Resignation Period may continue to be exercised by an Executive for a period of 90 days following the last day of the Notice of Resignation Period or until the applicable expiry date of the options, whichever is earlier.

If an Executive resigns by giving written notice and the Corporation does not waive the notice in whole or in part, the Executive will receive continued payment of his/her base salary, continued eligibility to participate in any existing Corporation group benefits plan, accrued vacation, and any accrued but unpaid business expenses for the period up to the last day of the Notice of Resignation Period. Any options that vest or have vested on or prior to the effective date of an Executive’s resignation may continue to be exercised by him/her for a period of 90 days following the last day of the Notice of Resignation Period or until the applicable expiry date of the options, whichever is earlier.

If an Employment Agreement is terminated by the Corporation for Just Cause (as such term is defined in the Employment Agreement), the Executive will receive continued payment of his/her base salary, continued eligibility to participate in any existing Corporation group benefits plan, accrued vacation, and any accrued but unpaid vacation and business expenses for the period up to, and including, the effective date of the Executive’s termination for Just Cause. Any options that vested on or prior to the effective date of an Executive’s termination for Just Cause may continue to be exercised by him/her for a period of 90 days following the effective date of his/her termination or until the applicable expiry date of the options, whichever is earlier. Any options that have not vested on or prior to the effective date of an Executive’s termination for Just Cause shall be immediately cancelled and may not be exercised by the Executive.

An Executive’s employment shall cease and his/her Employment Agreement shall terminate automatically in the event of the Executive’s death or, at the Corporation’s discretion, upon the Executive’s Disability (as such term is defined in the Employment Agreement). If an Executive’s employment ceases by reason of his/her death or Disability, the Executive (or his/her estate) will receive payment of the Executive’s base salary, accrued vacation, and any accrued but unpaid business expenses for the period up to, and including, the date that the Executive’s employment ceases. If an Executive’s employment ceases by reason of Disability, the Executive shall also be eligible to receive his/her entitlements to notice of termination pay, termination pay and severance pay (if applicable) pursuant to the Ontario *Employment Standards Act, 2000*, in addition to any disability benefits for which the Executive is otherwise eligible. Any options that have vested on or prior to the date that an Executive’s employment ceases may continue to be exercised by the Executive (or by the Executive’s estate) for a period of one year from the date that the Executive’s employment ceases or until the applicable expiry date of the options, whichever is earlier.

If an Employment Agreement is terminated by the Corporation without Just Cause, an Executive will receive continued payment of his/her base salary and any accrued but unpaid vacation and business expenses for the period up to, and including, the effective date of the Executive’s termination without Just Cause. An Executive will also receive any accrued vacation for the period up to, and including, the end of the statutory notice period required under the Ontario *Employment Standards Act, 2000*. Additionally, an Executive will receive: (i) a lump sum payment equal to thirty-six (36) months of the Executive’s

annual base salary, (ii) continued eligibility to participate in the Corporation's group benefits plan for a period of thirty-six (36) months or, if such continued eligibility is not permitted by the Corporation's benefits carriers, a lump sum payment equal to the cost of the benefits premiums that the Corporation would have paid to provide the benefits to the Executive over the 36-month period, and (iii) a *pro rata* portion of any incentive bonus which may be subsequently awarded by the Corporation for the year in which the Executive's employment is terminated, calculated for the period from the commencement of the applicable year to the effective date of the Executive's termination. Additionally, all unvested stock options shall immediately vest at the date of termination and become exercisable by the Executive. The Executive is eligible to exercise all such stock options that vested either prior to or upon the termination of his/her employment until the applicable expiry date of the options.

Further, an Executive shall also be eligible for an enhanced benefit if an Involuntary Termination occurs following a change of control. An Involuntary Termination occurs where: (i) the Executive's employment is terminated for any reason (other than by reason of the Executive's death, Disability or termination for Just Cause) at any time during the one hundred and eighty (180) day period immediately following a change of control, (ii) the Executive resigns his/her employment within period of one hundred and eighty (180) days immediately following any Change Affecting the Executive's Employment (as such term is defined in an Employment Agreement) that occurs within the twelve (12) month period immediately following a change of control, or (iii) the Executive refuses continued employment with any successor of the Corporation within one hundred and eighty (180) days following a change of control. In the event that an Involuntary Termination occurs following a change of control, then an Executive shall be eligible to receive the payments and benefits provided by the Corporation following a termination without Just Cause. Additionally, an Executive shall also be eligible for a further lump sum payment equal to: (i) the average of the incentive bonuses received by the Executive in the two (2) most recent fiscal years completed prior to the date of such Involuntary Termination or, (ii) if the Executive has not been employed for two complete fiscal years, to an average annualized bonus amount calculated in accordance with the terms of the Employment Agreement.

#### *Incentive Plan Awards*

#### **Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth certain information, in relation to the Named Executive Officers, regarding option-based awards outstanding as of the end of the financial year of the Corporation ended December 31, 2023. None of the persons depicted in the table held any share-based rewards as at December 31, 2023.

Option-Based Awards					Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options <sup>(1)(3)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date (D)	Value of Unexercised In-The-Money Options <sup>(2)</sup> (\$)	Number of Shares Or Units Of Shares Not Vested (#)	Market Or Payout Value of Share-based Awards Not Vested (\$)	Market or Payout Value of Vested Share-based Awards Not Paid Out or Distributed (\$)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
John Keating	375,000	\$0.20	September 12, 2026	Nil	Nil	Nil	Nil
	450,000	\$0.20	August 11, 2025	Nil	Nil	Nil	Nil
	390,000	\$0.25	January 3, 2024	Nil	Nil	Nil	Nil
Linda Brennan	375,000	\$0.20	September 12, 2026	Nil	Nil	Nil	Nil
	450,000	\$0.20	August 11, 2025	Nil	Nil	Nil	Nil
	500,000	\$0.25	January 3, 2024	Nil	Nil	Nil	Nil

**Notes:**

- (1) Represents options granted pursuant to the Corporation's share option plan.
- (2) Based on the difference between the market value of the underlying shares at December 31, 2023 of \$0.15, and the exercise price of the option.
- (3) On May 3, 2024, Mr. Keating and Ms. Brennan were each awarded incentive stock options of 2,450,000 at an exercise price of \$0.30 respectively. These Options expire on May 2, 2029.

**Value Vested or Earned During the Year**

The following table sets forth certain information, in relation to the Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the financial year of the Corporation ended December 31, 2023. None of the persons depicted in the table held any share-based awards, the value of which vested during the financial year ended December 31, 2023.

Name	Option-Based Awards – Value Vested During The Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During The Year (\$)
(A)	(B)	(C)	(D)
John Keating	Nil	Nil	Nil
Linda Brennan	Nil	Nil	Nil

**Notes:**

- (1) For this purpose, the options are valued on the date of vesting. The “value vested” represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This is calculated by computing the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise price of the options under the option-based award on the vesting date.

***Termination and Change of Control Benefit***

If a severance payment triggering event had occurred on December 31, 2023, the severance payments that would be payable to each of the Named Executive Officers would be approximately as follows:

Name	Termination by the Corporation after a “change of control” of the Corporation (\$)
John Keating	\$525,000
Linda Brennan	\$435,000
<b>Total</b>	<b>\$960,000</b>

**Director Compensation Table**

The following table sets out all amounts of compensation provided to the directors of the Corporation (excluding directors who were also a Named Executive Officer) for the financial year ended December 31, 2023. The Board concluded that, in consideration for the stage of development of the Company, directors' fees would not be paid in during the financial year ended December 31, 2023.

Name <sup>(1)(2)</sup>	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
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Name <sup>(1)(2)</sup>	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
James Clare	Nil	Nil	Nil	Nil	Nil	Nil	\$Nil
Joseph Del Campo	Nil	Nil	Nil	Nil	Nil	Nil	\$Nil
Trygve Hoy	Nil	Nil	Nil	Nil	Nil	Nil	\$Nil
Victor Bradley	Nil	Nil	Nil	Nil	Nil	Nil	\$Nil

**Notes:**

- (1) This director compensation table does not include information for Mr. John Keating and Ms. Linda Brennan who are directors of the Corporation and a Named Executive Officer. The compensation paid to each of Mr. John Keating and Ms. Linda Brennan for the financial year ended December 31, 2023, has been reflected in the Named Executive Officer summary compensation table. Neither Mr. Keating nor Ms. Brennan received any compensation for their roles as directors for the financial year ended December 31, 2023.
- (2) On May 3, 2024, the above mentioned directors were each awarded stock options in the amounts of: James Clare – 1,050,000; Joseph Del Campo – 1,150,000; Trygve Hoy – 975,000; and Victor Bradley – 900,000. The options are priced at \$0.30 and expire on May 2, 2029.

*Director Incentive Plan Awards*

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth certain information, in relation to the directors, (excluding directors who were also a Named Executive Officer), regarding share-based and option-based awards outstanding as of the end of the financial year of the Corporation ended December 31, 2023.

Name	Option-Based Awards				Share-Based Awards		
	Number Of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Value Of Unexercised In-The-Money Options <sup>(2)</sup> (\$)	Number Of Shares Or Units Of Shares That Have Not Vested (#)	Market Or Payout Value Of Share-Based Awards That Have Not Vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
James Clare	250,000	\$0.20	September 12, 2026	Nil	Nil	Nil	Nil
	300,000	\$0.20	August 11, 2025	Nil	Nil	Nil	Nil
	350,000	\$0.25	January 3, 2024	Nil	Nil	Nil	Nil
Joseph Del Campo	300,000	\$0.20	September 12, 2026	Nil	Nil	Nil	Nil
	350,000	\$0.20	August 11, 2025	Nil	Nil	Nil	Nil
	375,000	\$0.25	January 3, 2024	Nil	Nil	Nil	Nil
Trygve Hoy	300,000	\$0.20	September 12, 2026	Nil	Nil	Nil	Nil
	325,000	\$0.20	August 11, 2025	Nil	Nil	Nil	Nil
	300,000	\$0.25	January 3, 2024	Nil	Nil	Nil	Nil
Victor Bradley	600,000	\$0.20	September 12, 2026	Nil	Nil	Nil	Nil
	300,000	\$0.20	August 11, 2025	Nil	Nil	Nil	Nil

**Notes:**

- (1) Represents options granted pursuant to the Corporation's Share Option Plan.
- (2) Based on the difference between the market value of the underlying shares at December 31, 2023, of \$0.15 and the exercise price of the option.

**Value Vested or Earned During the Year**

The following table sets forth certain information, in relation to the directors of the Corporation, (excluding directors who were also a Named Executive Officer), regarding the value vested or earned in connection with incentive plan awards during the financial year of the Corporation ended December 31, 2023.

<b>Name</b>	<b>Option-Based Awards – Value Vested During The Year (\$)<sup>(1)</sup></b>	<b>Share-Based Awards – Value Vested During The Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During The Year (\$)</b>
(A)	(B)	(C)	(D)
James Clare	Nil	Nil	Nil
Joseph Del Campo	Nil	Nil	Nil
Trygve Hoy	Nil	Nil	Nil
Victor Bradley	Nil	Nil	Nil

**Notes:**

(1) For this purpose, the options are valued on the date of vesting. The “value vested” represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This is calculated by computing the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise price of the options under the option-based award on the vesting date.

*Equity Compensation Plan Information*

The following table sets forth, as of December 31, 2023, information concerning securities authorized for issue under equity compensation plans of the Corporation.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted Average Exercise Price of Outstanding Options</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
Equity compensation plans previously approved by security holders	5,177,500	\$0.20	10,830,152
Equity compensation plans not previously approved by security holders	Nil	Nil	Nil
Total	5,177,500	\$0.20	10,830,152

**BUSINESS OF THE MEETING**

**RECEIPT OF AUDITED FINANCIAL STATEMENTS**

The Shareholders will receive and consider the Corporation’s audited, consolidated financial statements for the financial year ended December 31, 2023, together with the auditor’s report thereon.

**SET NUMBER OF DIRECTORS**

1. At the Meeting, shareholders of the Corporation will be asked to set the number of directors at six.

**2. ELECTION OF DIRECTORS**

At the Meeting, shareholders of the Corporation will be asked to elect six directors for the ensuing year. The persons named in the form of proxy accompanying this Management Information Circular intend to vote for the election of the nominees whose names are set forth below, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy

be withheld from voting in respect of the election of directors of the Corporation. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year, however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Management Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director elected will hold office until the close of business on the day of the first annual meeting of the shareholders of the Corporation following his or her election unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth certain information regarding the nominees, their position with the Corporation, their principal occupation or employment during the last five years, the dates upon which the nominees became directors of the Corporation and the approximate number of Common Shares beneficially owned, or controlled or directed, directly or indirectly by them as of May 14, 2024:

<b>Name, Position and Municipality of Residence</b>	<b>Principal Occupation</b>	<b>Date Became Director</b>	<b>Voting Securities Owned or Controlled<sup>(1)</sup></b>
John Keating President, Chief Executive Officer and Chairman of the Board of and Director <i>Toronto, Canada</i>	President and Chief Executive Officer of the Corporation - September 2011 to present; Former President, Golden Chalice Resources - 2004 to 2010.	August 15, 2010	2,541,200
Linda Brennan Chief Financial Officer, Secretary and Director <i>Vancouver, Canada</i>	Chief Financial Officer of the Corporation - September 2011 to present; Self-employed business consultant - 2005 to September 2011.	August 15, 2010	1,023,750
James Clare Director <i>Toronto, Canada</i>	Lawyer, Bennett Jones LLP - February 2013 to present, Fraser Milner Casgrain LLP - 2003 to February 2013.	March 7, 2011	981,658
Joseph Del Campo <sup>(2)(3)</sup> Director <i>Toronto, Canada</i>	Director of Unigold Inc. - January 8, 2003 to present, Interim Chief Financial Officer of Viper Gold Ltd. - January 1, 2012 to September 30, 2015; Chief Financial Officer, First Nickel Inc., - June 2005 to December 2011.	March 7, 2011	216,500
Trygve Hoy <sup>(2)(3)</sup> Director <i>Sooke, Canada</i>	Self employed geological and mineral deposit exploration consultant - 2002 to present.	February 25, 2019	100,000
Victor Bradley <sup>(2)(3)</sup> Director <i>Monaco</i>	Chartered Professional Accountant, Chairman of Osisko Gold Royalties 100% owned private Bermuda subsidiary which control's Osisko Royalties offshore holdings. Former Director of Osisko Gold Royalties from April 2014 to May 2018.	August 12, 2020	Nil

**Notes:**

- (1) The information as to the number of voting securities beneficially owned, or controlled or directed, directly or indirectly, has been furnished by the respective nominee.
- (2) Member of Audit Committee
- (3) Member of Corporate Governance and Compensation Committee.

None of the nominees for election as a director of the Corporation (except as noted below) are, as at the date hereof, or have been, within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30

consecutive days and that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after the nominee 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 such capacity.

Mr. Del Campo is a director of Centurion Minerals Ltd., which was subject to a Cease Trade Order ('CTO') issued by the BCSC on December 5, 2017 for failure to file its audited annual financial statements. The CTO was revoked on May 3, 2018.

None of the nominees for election as a director of the Corporation:

- (a) is at the date hereof, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any corporation that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or
- (b) has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

None of the nominees for election as a director of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### *Indebtedness of Directors and Executive Officers*

There was no indebtedness of any director or officer of the Corporation or of any proposed nominee for election as director of the Corporation to or guaranteed or supported by the Corporation either pursuant to an employee stock purchase program of the Corporation or otherwise during the financial year of the Corporation ended December 31, 2023.

#### **Audit Committee**

The audit committee (the "Audit Committee") of the directors of the Corporation consists of three non-executive directors, being Messrs Del Campo, Hoy and Bradley. All members of the audit committee are financially literate and independent of the Corporation.

Mr. Del Campo received his CPA, CMA designation in 1977 and was the Chief Financial Officer of First Nickel Inc., a Canadian mining, exploration and development company, until December 2011. Mr. Del Campo spent over 19 years working within the Falconbridge Limited group of companies at progressive financial positions. Mr. Del Campo has been a Director and Vice President, Finance and Chief Financial Officer of a number of junior exploration companies listed on the TSX and TSX Venture Exchange.

Mr. Hoy is a Professional Engineer and a member of the Society of Economic Geologists. Mr. Hoy received his BSc (Geology) from the University of British Columbia, MSc (Geology) from Carleton University, Ottawa, Doctorate of Geology from Queens University, Ontario and Geological Engineering Degree from the University of British Columbia in 1976. He joined the British Columbia Department of Mines in 1974 and spent 28 years there as a research economic geologist. Mr. Hoy has been an exploration consultant since 2002.

Mr. Bradley is a Chartered Professional Accountant with more than 50 years experience in the mining industry, including more than 15 years with Cominco Ltd. and McIntyre Mines Ltd. in a wide variety of senior financial positions from Controller to Chief Financial Officer. Over the past 30 years he has founded, financed and operated several mining and advanced stage exploration and development companies, including the original Yamana Gold Inc., Aura Minerals Inc. and Nevoro Inc. (sold to Starfield Resources). Mr. Bradley founded the original Yamana in early 1994, and served as President and CEO and then Chairman of the Board and Lead Director until 2008. He served as Chairman of Osisko Mining Corp from November 2006 up to its sale for \$4.1 billion to Agnico Eagle and Yamana in June, 2014. He served as a director of Osisko Gold Royalties Ltd. (spun out of the Osisko Mining sale) from June, 2014 to May, 2018 and as Chairman of Nevada Copper Corp. from February, 2012 to February, 2017. He now serves as Chairman of Osisko Bermuda Ltd., Osisko Gold Royalties offshore subsidiary that controls all of its assets outside of North America.

The mandate of the Audit Committee is to:

- review and recommend approval by the directors of the Corporation of annual and interim financial statements;
- review and recommend approval by the directors of the Corporation of annual and interim MD&A disclosure;
- review all public disclosure by the Corporation which contains financial information;
- recommend the appointment and the compensation of the external auditor of the Corporation
- assess whether the internal controls are appropriate for the Corporation; and
- pre-approve all non-audit engagements of the external auditor of the Corporation.

Individual members of the audit committee have direct communication channels with the external auditor of the Corporation to the extent considered appropriate. The text of the charter of the Audit Committee is set out in schedule “A” attached to this Management Information Circular.

The directors of the Corporation have not appointed an executive committee of the directors of the Corporation.

## **Corporate Governance Disclosure**

### *Directors*

Mr. John Keating and Ms. Linda Brennan are the only directors of the Corporation who are also members of management. Messrs. Clare, Hoy, Del Campo and Bradley are independent directors of the Corporation for the purpose of National Instrument 58-101 – *Corporate Governance Practices*.

The following directors of the Corporation are also directors of the following other reporting issuers:

<b><u>Name of Director of the Corporation</u></b>	<b><u>Other Reporting Issuers</u></b>
James Clare	Riverside Resources Inc. SolGold plc
Joseph Del Campo	Centurion Minerals Ltd. Unigold Inc. Terreno Resources Corp.
Victor Bradley	BTU Metals Corp. NevGold Corp.

### *Orientation and Continuing Education*

The Corporation does not provide a formal orientation or education program for members of the Corporation’s Board as it believes that such programs are not appropriate for a junior mineral exploration and development company with tight geographical focus and a highly experienced Board, the members of which have been selected for their specific expertise. The Chief Executive Officer of the Corporation is responsible for providing an orientation and education program for new directors of the Corporation.

When a new director is added, he or she will be given the opportunity to become familiar with the Corporation by meeting with the other directors and with the officers and representatives of the Corporation. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of each director.

#### *Ethical Business Conduct*

The Board of the Corporation has adopted a written Code of Business Conduct and Ethics for the Corporation's directors, officers and employees.

The Code of Business Conduct and Ethics establishes a number of guidelines covering (but not limited to) the following areas: personal conflicts of interest, public disclosure, proprietary and confidential information, protection and proper use of corporation assets, accepting or giving gifts, fair dealing with suppliers, employees and competitors, and compliance with the laws, rule and regulations.

In addition, the Board's charter requires that its directors observe two standards of conduct: a fiduciary standard which requires directors to act honestly, in good faith and with a view to the best interests of the Corporation, and a performance related standard which requires directors to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In order to ensure that the directors exercise independent judgment in considering transactions and agreements, the Board requires that all directors declare any conflicts of interest with issues or situations as they arise. This would include transactions/agreements in which a director/officer has a material interest. The Chief Executive Officer of the Corporation or the directors of the Corporation as a whole, as appropriate, from time to time, provide officers, directors and other representatives of the Corporation guidance in properly recognizing and resolving any legal or ethical issues that they may encounter while conducting the business of the Corporation. The Board and the Audit Committee meet at least annually. The Special Committee of the Board (if constituted) and the Audit Committee may retain external advisors if deemed necessary.

#### **Nomination of Directors**

The Board of Directors of the Corporation has not formed a Nominating Committee. The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board are consulted for possible candidates. In connection with its review of its corporate governance practices, the Board will consider whether it is appropriate for the Board to establish a formal nominating committee. The education and experience of each of the Boards' members is discussed under the heading "*Business of the Meeting – Election of Directors*".

#### **Compensation Governance**

##### *Corporate Governance and Compensation Committee*

The Corporation has a corporate governance and compensation committee (the "Compensation Committee"), comprised of Trygve Hoy, Joseph Del Campo and Victor Bradley (Chair). Messrs. Del Campo, Hoy and Bradley are considered independent of the Corporation. The Compensation Committee determines the compensation for the Corporation's management and executive officers. All members of the Compensation Committee have previously worked with public and/or private companies and have experience with the assessment of compensation packages. The members of the Compensation Committee have, collectively, over 50 years of experience in the minerals and metals industry and are knowledgeable about executive and other compensation standards within such industry. Messrs. Hoy, Del Campo, and Bradley's education and experience is discussed under the heading "*Business of the Meeting – Election of Directors*".

##### *Compensation*

The Compensation Committee is responsible for, among other things, determining the compensation to be paid to the Chief Executive Officer and directors of the Corporation, and for reviewing the Chief

Executive Officer's recommendations respecting the compensation of consultants to the Corporation to ensure such compensation reflects the responsibilities and risks associated with each position. The Compensation Committee, when determining the compensation of members of management, will consider, among other things: (i) providing fair and competitive compensation compared to the remuneration paid by other reporting issuers similarly placed within the same business as the Corporation; (ii) balancing the interests of management and the shareholders of the Corporation; and (iii) rewarding performance with respect to operations in general. The Compensation Committee has not retained outside advice to determine compensation for officers and directors for the most recently completed financial year.

In addition, the Compensation Committee is responsible for, among other things: (i) reviewing corporate goals and objectives relevant to the compensation of management and evaluating the performance of management in light of those corporate goals and objectives; (ii) reviewing the compensation of other consultants to, and the non-executive directors, of the Corporation; (iii) reviewing the Corporation's compensation policy, share option plan and benefits policy; and (iv) any executive compensation disclosure prior to the Corporation publicly disclosing such information. When reviewing the compensation of consultants to the Corporation, the Compensation Committee will consider the following objectives: (i) to engage individuals critical to the growth and success of the Corporation; (ii) to reward performance of individuals by recognizing their contributions to the Corporation's growth and achievements; and (iii) to compensate individuals based on their performance and, to the extent applicable, on similar compensation for companies at a comparable state of development.

#### *Directors' Compensation*

The Corporation's director compensation program includes two components:

- stock options; and
- travel and expense reimbursement.

The Compensation Committee periodically reviews the adequacy and form of compensation of the directors to ensure the compensation appropriately reflects the responsibilities and risks involved in being an effective director and, based on such review, reports and makes recommendations to the Board.

#### *Assessments*

The Compensation Committee conducts an evaluation on an annual basis to assess the level of effectiveness of each director. In addition, the Compensation Committee will consider the mix of skills and experience that directors bring to the Corporation to assess, on an ongoing basis, whether the directors of the Corporation have the necessary skills to perform their oversight function effectively.

### **3. APPOINTMENT OF AUDITOR**

The auditor of the Corporation is McGovern Hurley LLP, Chartered Professional Accountants. McGovern Hurley LLP, Chartered Professional Accountants has been the auditor of the Corporation since October 8, 2015. Unless authority to do so is withheld, the persons named in the form of proxy accompanying this Management Information Circular intend to vote for the appointment of McGovern Hurley LLP, Chartered Professional Accountants, as the auditor of the Corporation until the close of the next annual meeting of the shareholders of the Corporation or until their successor is appointed and to authorize the directors of the Corporation to fix the remuneration and the terms of engagement of the auditor of the Corporation.

#### **External Auditor Disclosure**

##### *Audit Committee Oversight*

At no time since the commencement of the most recently completed financial year of the Corporation was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the directors of the Corporation.

### *Reliance on Certain Exemptions*

At no time since the commencement of the most recently completed financial year of the Corporation has the Corporation relied on the exemption in section 2.4 (De Minimis Non-Audit Services) of NI 52-110, any of the exemptions in subsections 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer), 6.1.1(5) (Events Outside Control of Member), 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110, or an exemption from the application of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The aggregate fees billed by the external auditor of the Corporation in each of the last two financial years of the Corporation are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees<sup>(1)</sup></u>	<u>All Other Fees</u>
2023	\$29,000	\$2,000	\$4,000	Nil
2022	\$29,000	\$2,000	\$4,000	Nil

#### Notes:

(1) Tax fees relate to preparation of Corporate Income Tax return and are not part of the audit function.

### *Pre-Approved Policies and Procedures*

The Audit Committee has not adopted specified policies or procedures for the engagement of the Corporation's external auditor to perform non-audit services.

### *Exemption*

The Corporation is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 by virtue of the exemption contained in section 6.1 thereof.

## **4. ANNUAL APPROVAL OF SHARE INCENTIVE PLAN**

The Corporation currently has a Share Incentive Plan (the "Plan") which was established by the Corporation for the benefit of the employees, directors and officers of the Corporation or any of its subsidiaries and any other person or company engaged to provide ongoing management or consulting services for the Corporation or any entity controlled by the Corporation. The Plan allows for future grants of options to purchase Common Shares and provides for flexibility in the share compensation arrangements which may be extended by the Corporation in the future. A description of the Plan is set forth below.

The following is a summary of the share option plan which comprises part of the Plan. The Plan is available under the Corporation's profile at [www.sedar.com](http://www.sedar.com). A copy of the Plan is also available to any shareholder of the Corporation at or prior to the Meeting upon request to the President and Chief Executive Officer or the Chief Financial Officer of the Corporation.

The Plan shall be administered in accordance with the rules and policies of the TSX Venture Exchange in respect of employee stock option plans by the Committee for so long as the Common Shares are listed on the TSX Venture Exchange, and should the Common Shares become listed on the Toronto Stock Exchange, it shall be administered in accordance with the rules and policies of the Toronto Stock Exchange:

### ***Share Option Plan***

The Plan has the following key features:

- The maximum number of Common Shares that may be issued under options granted under the Option Plan is equal to 10% of the issued and outstanding Common Shares less the aggregate number of Common Shares reserved for issuance or issuable under any other security-based compensation arrangement of the Corporation.
- The Maximum number of Common Shares reserved for Insiders pursuant to the Option Plan in any 12 month period shall not exceed, in the aggregate 10% of the number of Common Shares then outstanding, calculated as at the date of issuance to any Insider, unless the Corporation has obtained

the requisite disinterested shareholder approval as required by Section 4.11 (c) of Policy 4.4 of the Stock Exchange.

- Unless the Corporation has received disinterested shareholder approval, the maximum number of Common Shares that may be issued to any individual in any 12-month period under the Option Plan may be no more than 5% of the issued and outstanding Common Shares less the aggregate number of shares reserved for issuance or issuable under any other security-based compensation arrangement of the Corporation. The foregoing restriction is reduced to 2% in the case of consultants and individuals providing investor relations services.
- Options may be granted to eligible participants (“Eligible Participants”) from time to time. Eligible Participants include directors and senior officers of the Corporation or its subsidiaries, present and future, and employees and consultants of the Corporation or its subsidiaries, present and future.
- The exercise price for each option is fixed by the Board at the time of the grant in compliance with the Option Plan, applicable law, and the policies of the TSXV, which state that the exercise price will be no less than the Market Price, and if the options are granted within 90 days of a distribution by the Corporation by prospectus, the minimum exercise price per Common Share of those options will be the greater of the Discounted Market Price (as defined in the Corporate Finance Manual of the TSX Venture Exchange) and the price per Common Share paid by the public investors for Common Shares pursuant to such distribution. The exercise price is denominated in Canadian dollars.
- Options will be exercisable in whole at anytime, or in part from time to time, following the date of grant and prior to the expiry of their term, however, if an Option expires within a Blackout Period (as defined in the Option Plan), or within ten days after a Blackout Period Expiry Date (as defined in the Option Plan), the Option shall remain exercisable until ten days after the Blackout Period Expiry Date.
- Options cannot be granted for a term exceeding 10 years.
- Options granted shall vest, and become exercisable, according to the terms in the Option Plan and the discretion of the Board.
- If an Eligible Participant ceases to be a director of or ceases to be employed by, or provide services to of the Corporation or of a Designated Affiliate, as the case may be, for any reason (other than death) or as otherwise provided in an Employment Contract, may exercise the Options within the 90 days following such Termination.
- Notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period.

Options to purchase an aggregate of 17,378,764 Common Shares have been granted pursuant to the share option plan. Of such options, no options to purchase Common Shares have been exercised to date and no options have expired, leaving options to purchase an aggregate of 11,264 Common Shares outstanding as at May 14, 2024.

If a take-over bid (within the meaning of the *Securities Act* (Ontario)) is made for the Common Shares, then the directors of the Corporation may permit all options outstanding which have limits on their exercise to become immediately exercisable in order to permit Common Shares issuable under such options to be tendered to such bid.

It is the policy of the TSX Venture Exchange that all companies whose shares are listed on the TSX Venture Exchange obtain arms-length shareholder approval of their stock option plan annually if, as is the case with the Corporation, such a plan is a “rolling” plan. In accordance with the requirements of the Exchange, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution (the “Plan Resolution”), the text of which is set forth below, approving the share option plan. A copy of the Plan is available to any shareholder of the Corporation at or prior to the Meeting upon request to the President and Chief Executive Officer or Chief Financial Officer of the Corporation and is also available on SEDAR at [www.sedar.com](http://www.sedar.com) under the profile of the Corporation.

## SHARE INCENTIVE PLAN RESOLUTION

### BE IT RESOLVED THAT:

- (i) the share incentive plan of the Corporation has been approved by the directors of the Corporation on May 14, 2024, and described in the management information circular dated May 14, 2024, of the Corporation be, and the same hereby is, approved as the share option plan of the Corporation; and
- (ii) any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such other acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution.

In order to become effective, the Plan Resolution must be approved by a simple majority of the votes cast by arms-length holders of Common Shares present in person or represented by proxy at the Meeting or any adjournment thereof. The directors of the Corporation unanimously recommend that holders of Common Shares vote in favour of the Plan Resolution. **Unless a proxy specifies that the Common Shares represented thereby shall be voted against the Plan Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Plan Resolution.**

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

Except as disclosed in this Management Information Circular, Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Information Circular, no transactions have been entered into since January 1, 2024, or are proposed to be entered into which have materially affected or will materially affect the Corporation or any of its subsidiaries involving an informed person of the Corporation (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*), a proposed nominee for election as a director of the Corporation or any associate or affiliate of any such informed person or proposed nominee.

### ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Further financial information is provided in the comparative financial statements and the management's discussion and analysis of the Corporation for its most recently completed financial year. The Corporation will provide any shareholder of the Corporation, without charge, upon request to the Chief Financial Officer of the Corporation:

- (b) one copy of the comparative financial statements of the Corporation for the financial year ended December 31, 2023 together with the report of the auditor thereon; and
- (c) one copy of the management's discussion and analysis of the Corporation for the financial year ended December 31, 2023.

**APPROVAL**

The contents of this Management Information Circular and the sending thereof to the shareholders of the Corporation have been approved by the directors of the Corporation.

May 14, 2024

By Order of the Board

(signed) "*Mr. John Keating*"  
President and Chief Executive Officer

## 5. APPROVAL OF SHAREHOLDER RIGHTS PLAN

### *Ratification and Approval*

On May 14, 2024 (the “**Effective Date**”), the board of directors of the Corporation (the “**Board**”) entered into a shareholder rights plan agreement (the “**Rights Plan**”) with Computershare Investor Services Inc., as rights agent, a full copy of which is available on the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) (filed May 24, 2024). The Rights Plan was adopted to ensure, to the extent possible, the fair treatment of all Shareholders in connection with any take-over bid for the Corporation. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass a resolution, ratifying and approving the Rights Plan. The Rights Plan provides that if the Rights Plan is not approved by an ordinary resolution of the Independent Shareholders (as defined herein) passed at the Meeting, then the Rights Plan and all outstanding Rights (as defined herein) shall terminate and be void and of no further force and effect. If the Rights Plan is approved at the Meeting, it will remain in effect and will next require reconfirmation by Shareholders at the 2027 annual meeting of Shareholders. The Rights Plan must be reapproved by the Shareholders at every third annual meeting of Shareholders.

### *Objectives of the Rights Plan*

The Rights Plan has the following objectives:

- to ensure, to the extent possible, that all Shareholders of the Corporation and the Board have adequate time to consider and evaluate any unsolicited take-over bid;
- to provide the Board with adequate time to identify, solicit, develop and negotiate value-enhancing alternatives, as considered appropriate, to any unsolicited take-over bid;
- to encourage the fair treatment of Shareholders in connection with any unsolicited take-over bid; and
- to generally assist the Board in enhancing shareholder value.

In approving the Rights Plan, the Board considered the existing legislative framework governing take-over bids in Canada. The Canadian Securities Administrators adopted amendments to the framework in 2016 that, among other things, lengthen the minimum bid period to 105 days (from the previous 35 days), require that all non-exempt take-over bids meet a minimum tender requirement of more than 50% of the outstanding securities held by shareholders other than the offeror, its affiliates and persons acting jointly or in concert with the offeror, and require a 10-day extension after the minimum tender requirement is met. A target issuer has the ability to voluntarily reduce the minimum bid period to not less than 35 days and the minimum bid period may be reduced due to the existence of certain competing take-over bids or alternative change in control transactions.

As the legislative amendments do not apply to exempt take-over bids, there continues to be an important role for rights plans in protecting Canadian public companies and preventing the unequal treatment of shareholders. Shareholder rights plans continue to be adopted to address the following concerns:

- (a) Protecting against “creeping bids” (the accumulation of 20% or more of shares through purchases exempt from Canadian take-over bid rules, such as (a) purchases from five or fewer shareholders under private agreements at a premium to the market price (not to exceed 115% of the market price, including brokerage fees and commissions), and not available to all shareholders, (b) acquiring control or effective control through the accumulation of shares over a stock exchange or other published market without paying a control premium (known as the 5% ordinary course purchase exemption), or (c) through other transactions outside of Canada that may not be jurisdictionally subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders; and
- (b) Preventing a potential acquiror from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan. This prevents the use of “hard” lock-up agreements by offerors whereby existing shareholders commit to tender their shares to an offeror’s take-over bid in lock-up agreements that are either irrevocable or revocable but subject to restrictive termination conditions. Such

agreements could have the effect of deterring other potential bidders from bringing forward competing bids, particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder's bid to achieve the 50% minimum tender requirement imposed by the take-over bid rules.

In recommending the ratification of the Rights Plan, it is not the intention of the Board to preclude a bid for control of the Corporation. The Rights Plan provides various mechanisms whereby Shareholders may tender their shares to a take-over bid as long as the bid meets the "Permitted Bid" criteria under the Rights Plan. Furthermore, even in the context of a take-over bid that would not meet the Permitted Bid criteria, the Board would still have a duty to consider any take-over bid for the Corporation and consider whether or not it should waive the application of the Rights Plan in respect of such bid. In discharging such duty, the Board must act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders.

The Rights Plan is therefore designed to encourage a potential acquirer who makes a take-over bid to proceed either by way of a Permitted Bid (as defined below), which requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board, the Rights Plan provides that holders of Rights issued under the Rights Plan, other than the acquirer and certain persons related to the acquirer, will be able to purchase additional shares at a significant discount to market, thus exposing the acquirer to substantial dilution of its holdings.

The Rights Plan is not expected to interfere with the Corporation's day-to-day operations. The issuance of Rights under the Rights Plan will not in any way alter the financial condition of the Corporation, impede its business plans, or alter its financial statements. In addition, the Rights Plan is initially not dilutive. However, if a Flip-in Event occurs and the Rights separate from the Common Shares as described below, financial metrics reported on a per share basis may be affected. In addition, holders of Rights not exercising their rights after a Flip-in Event may suffer substantial dilution.

As at the date hereof, the Corporation is not aware of any pending or threatened take-over bid for the Corporation and approval of the Rights Plan is not being adopted in response to any take-over bid or other proposal to acquire control of the Corporation.

### ***Summary of the Rights Plan***

The following is a summary of the principal provisions of the Rights Plan, which is qualified in its entirety by reference to the complete text of the Rights Plan appended hereto as Schedule "[A]" and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Corporation's issuer profile.

Unless otherwise defined below, all capitalized terms shall have the meanings specified in the Rights Plan.

### ***Issue of Rights***

On the Effective Date, one Right was issued by the Corporation in respect of each Common Share issued and outstanding as at 4:00 p.m. (Eastern Time) on the Effective Date (the "**Record Time**"). One Right will also be issued for each additional Common Share issued after the Record Time and prior to the earlier of the Separation Time and the time at which the Rights expire and terminate in accordance with the terms of the Rights Plan.

The issuance of the Rights is not dilutive and will not affect reported earnings or cash flow per share unless the Rights separate from the underlying Common Shares in connection with which they were issued and become exercisable or are exercised.

The issuance of the Rights also does not change the manner in which Shareholders currently trade their Common Shares and is not expected to interfere with the Corporation's ability to undertake equity offerings in the future.

### ***Separation Time / Ability to Exercise Rights***

The Rights will separate from the Common Shares to which they are attached (the "**Separation Time**") and will become exercisable at the close of business on the 10th trading day after the earlier of (i) the first date of public announcement by the Corporation or an Acquiring Person (as hereinafter defined) indicating that a person has become an Acquiring Person (the "**Common Share Acquisition Date**"), (ii) the date of the commencement of, or first public announcement of, the intent of any person (other than the Corporation or any subsidiary of the Corporation) to commence, a take-over bid (other than a Permitted Bid or Competing Permitted Bid (as described below)), and (iii) the date upon which a Permitted Bid or a Competing Permitted Bid ceases to qualify as such, or, such later date as may be determined by the Board.

### ***Acquiring Person***

A person will be considered to be an "Acquiring Person" for the purposes of the Rights Plan if they, together with their associates, affiliates and joint actors, acquire beneficial ownership (within the meaning of the Rights Plan) of over 20% or more of the outstanding Common Shares of the Corporation, other than pursuant to a Permitted Bid or another type of transaction that is exempted under the Rights Plan.

In general terms, a person will not be considered to be an Acquiring Person for the purposes of the Rights Plan if it becomes the holder of 20% or more of the Common Shares by reason of: (i) a reduction of the number of Common Shares outstanding; (ii) an acquisition under a Permitted Bid; (iii) an acquisition in respect of which the Board has waived the application of the Rights Plan; (iv) an acquisition under a dividend or interest reinvestment plan or a stock dividend or similar pro rata event; (v) an acquisition or exercise of rights pursuant to a rights offering that does not result in an increase in the person's proportionate shareholdings; or (vi) the exercise of convertible securities that were received by the person pursuant to the foregoing types of transaction; provided that, any further increase by 1% or more in such person's shareholdings (other than pursuant to an exempt transaction) will cause the person to become an Acquiring Person for the purposes of the Rights Plan.

### ***Consequences of a Flip-in Event***

A "Flip-in Event" refers to any transaction or event pursuant to which a person becomes an Acquiring Person. Following the occurrence of a Flip-in Event (other than a Flip-in Event to which the Board has waived the application of the Rights Plan), at the Separation Time:

1. each Right held by an Acquiring Person, its associates, affiliates, and joint actors shall become null and void; and
2. each Right held by the remaining Shareholders shall become exercisable, thereby allowing such Shareholders to purchase additional Common Shares at a substantial discount to the prevailing market price of the Common Shares.

### ***Permitted Bid Requirements***

The Rights Plan utilizes the mechanism of a "**Permitted Bid**" and "**Competing Permitted Bid**" to ensure that a Person seeking control of the Corporation through an unsolicited take-over bid gives Shareholders and the Board sufficient time to evaluate the bid and ensure that the take-over bid is fair to Shareholders. The Rights Plan is designed to make it impracticable for any person to acquire more than 20% of the outstanding Common Shares without the approval of the Board except pursuant to the Permitted Bid or Competing Permitted Bid procedures.

A Permitted Bid is a take-over bid made by way of a take-over bid circular and which complies with the following additional provisions:

- (a) the take-over bid is made to all holders of Common Shares as registered on the books of the Corporation (other than the bidder);

- (b) the take-over bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the take-over bid:
  - (i) prior to the close of business on the date which is not less than 105 days following the date of the take-over bid or such shorter minimum initial deposit period that a take-over bid (that is not exempt from the general take-over bid requirements contained in Part 2 of National Instrument 62-104 – *Take-over Bids and Issuer Bids* ("NI 62-104")) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
  - (ii) only if at such date more than 50% of the aggregate number of the outstanding Common Shares held by Independent Shareholders (as defined below) shall have been deposited or tendered pursuant to the take-over bid and not withdrawn;
- (c) unless the take-over bid is withdrawn, the take-over bid contains an irrevocable and unqualified provision that Common Shares may be deposited pursuant to such take-over bid at any time during the period of time described in paragraph (b)(i) above and that any Common Shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and
- (d) unless the take-over bid is withdrawn, the take-over bid contains an irrevocable and unqualified provision that in the event that the deposit condition set forth in paragraph (b)(ii) above is satisfied, the bidder will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of Common Shares for not less than 10 days from the date of such public announcement.

The Rights Plan allows a competing Permitted Bid (a "**Competing Permitted Bid**") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid, except that the minimum deposit period may be shorter as prescribed by NI 62-104.

A Competing Permitted Bid is a take-over bid that is also made by way of a take-over bid circular and which complies with the following additional provisions:

- (a) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of the Permitted Bid or Competing Permitted Bid;
- (b) satisfies all of the provisions of a Permitted Bid (described above) other than the requirements set out in paragraph (b)(i) of the description of a Permitted Bid; and
- (c) contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the take-over bid prior to the close of business on the last day of the minimum initial deposit period that such take-over bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the take-over bid constituting the Competing Permitted Bid.

### ***Certificates and Transferability*** **Before the Separation Time**

With respect to Common Shares issued after the Record Time but before the Separation Date, the Rights are (and will be) evidenced by (a) a legend imprinted on the share certificates representing such Common Shares, or (b) a reference to the Rights in the DRS statements representing such Common Shares, as applicable.

With respect to Common Shares issued before the Record Time, the Rights have attached (and will continue to attach) to such Common Shares notwithstanding that the share certificates or DRS statements representing such Common Shares do not bear the legend or reference the Rights, as applicable.

Shareholders are not required to return their share certificates or request new DRS statements to be entitled to the benefits of the Rights Plan.

Before the Separation Time, the Rights will trade together with the Common Shares to which they were issued in connection with, and will not be transferable separately from such Common Shares.

#### After the Separation Time

From and after the Separation Time, the Rights will be evidenced by separate rights certificates and will be transferable separately from the Common Shares to which they were issued in connection with.

#### ***Waiver***

Prior to the occurrence of a Flip-in Event, the Board, acting in good faith and upon prior written notice to the Rights Agent, may waive the application of the Rights Plan to a particular Flip-in Event where the take-over bid is made by way of issuing a take-over bid circular to all holders of Common Shares. If the Board elects to issue a waiver with respect to such Flip-in Event, the waiver will also apply to any other take-over bid made by way a take-over bid circular that is launched prior to the expiry of the bid for which the Rights Plan was initially waived.

The Board may also waive the application of the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered the Flip-in Event thereafter reduces its beneficial shareholding below 20% of the outstanding Common Shares of the Corporation within 14 days or such other date as the Board may determine.

With shareholder approval, the Board may waive the application of the Rights Plan to any other Flip-in Event prior to its occurrence.

#### ***Redemption***

With the prior consent of holders of Common Shares or Rights at any time prior to the occurrence of a Flip-in Event, the Board may redeem all, but not less than all, of the outstanding Rights at a price of \$0.000001 per Right (subject to the adjustments provided for in the Rights Plan).

#### ***Exemption for Managers***

The Rights Plan provides that investment advisors (for client accounts), managers of mutual funds, trust companies (acting in their capacity as trustees and administrators), statutory bodies managing investment funds (for employee benefit plans, pension plans, insurance plans or various public bodies), registered pension funds, plans or related trusts and their administrators or trustees, and Crown agents or agencies acquiring greater than 20% of the Common Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

#### ***Amendments***

The Corporation generally has the ability to waive, supplement, amend, vary, rescind or delete any of the provisions of the Rights Plan with shareholder approval.

Without shareholder approval, the Corporation may only amend the Rights Plan to (a) correct any clerical or typographical error; or (b) as required to maintain the validity or effectiveness of the Rights Plan as a result of any change in applicable legislation or regulations. If the Corporation amends the Rights Plan without shareholder approval pursuant to clause (b) above, such amendments must be approved by the Shareholders at a later date.

#### ***Approval of the Rights Plan***

Unless approved by the Independent Shareholders (as defined herein) at the Meeting, the Rights Plan and all associated Rights shall be terminated and of no further force and effect on and from the date of the Meeting. In order for Rights Plan to be approved, the Rights Plan Resolution (as defined below) must be

passed by a simple majority (50% + one vote) of the votes cast by Independent Shareholders present in person or represented by proxy at the Meeting.

For the purposes of the Rights Plan, "**Independent Shareholders**" means holders of outstanding Common Shares of the Corporation, other than: (a) any Acquiring Person; (b) any Offeror (other than any Person who is not deemed to beneficially own the Common Shares held by such person); (c) any Affiliate or Associate of any Acquiring Person or Offeror; (d) any Person acting jointly or in concert with any Acquiring Person or Offeror; and (e) any employee benefit plan, share option plan, deferred profit sharing plan, securities participation plan and any other similar plan or trust for the benefit of employees of the Corporation or a Subsidiary unless the beneficiaries of the plan or trust direct the manner in which the Common Shares held by any such plan or trust are to be voted or withheld from voting or direct whether the Common Shares are to be tendered to a Take-over Bid.

As of the record date for the Meeting, based on publicly available information, to the knowledge of the Corporation there are no holders of Common Shares that are not Independent Shareholders.

The Board reserves the right to alter any terms of the Rights Plan prior to its ratification and approval by Shareholders at the Meeting if the Board determines that it would be in the best interests of the Corporation and its Shareholders to do so in light of any developments subsequent to the date of this Circular. In such circumstance, a news release would be issued and the amended Rights Plan would be filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Corporation's issuer profile and presented to Shareholders for approval at the Meeting if the Board determines to amend the Rights Plan, or the Board could determine to not proceed with the Rights Plan at any time prior to the Meeting.

At the Meeting, Shareholders will be asked to consider and, if thought fit, pass the following, ordinary resolution approving the Rights Plan (the "**Rights Plan Resolution**"):

**"IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the shareholder rights plan approved by the Corporation's board of directors on May 14, 2024, on the terms set out in the shareholder rights plan agreement (the "**Rights Plan**") dated May 14, 2024, between the Corporation and Computershare Investor Services Inc., as set out in Schedule "[A]" of the Corporation's management information circular dated May 14, 2024, and the issuance of all rights issued pursuant to the Rights Plan, is hereby ratified, confirmed and approved, and
2. the board of directors of the Corporation is authorized on behalf of the Corporation to make any amendments to the Rights Plan as may be required by applicable regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Rights Plan; and
3. any one director or officer of the Corporation is authorized and directed to do all such acts and take any necessary actions and to execute and deliver all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution."

**Recommendation of the Corporation's Directors**

**The directors have reviewed and considered all facts respecting the approval of the Rights Plan and believe that the adoption of the Rights Plan is in the best interest of the Corporation and Shareholders. Accordingly, the Corporation's directors unanimously recommend that the Shareholders vote FOR the ordinary resolution approving the adoption of the Rights Plan.**

**Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the ordinary resolution approving the adoption of the Rights Plan.**

## SHAREHOLDER RIGHTS PLAN RESOLUTION

### BE IT RESOLVED THAT:

- (i) the shareholder rights plan of the Corporation has been approved by the directors of the Corporation on May 14, 2024, and described in the management information circular dated May 14, 2024, of the Corporation be, and the same hereby is, approved as the shareholder rights plan of the Corporation; and
- (ii) any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such other acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution.

In order to become effective, the Plan Resolution must be approved by a simple majority of the votes cast by arms-length holders of Common Shares present in person or represented by proxy at the Meeting or any adjournment thereof. The directors of the Corporation unanimously recommend that holders of Common Shares vote in favour of the Plan Resolution. **Unless a proxy specifies that the Common Shares represented thereby shall be voted against the Plan Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Plan Resolution.**

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

Except as disclosed in this Management Information Circular, Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Information Circular, no transactions have been entered into since January 1, 2024, or are proposed to be entered into which have materially affected or will materially affect the Corporation or any of its subsidiaries involving an informed person of the Corporation (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*), a proposed nominee for election as a director of the Corporation or any associate or affiliate of any such informed person or proposed nominee.

### ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Further financial information is provided in the comparative financial statements and the management's discussion and analysis of the Corporation for its most recently completed financial year. The Corporation will provide any shareholder of the Corporation, without charge, upon request to the Chief Financial Officer of the Corporation:

- (d) one copy of the comparative financial statements of the Corporation for the financial year ended December 31, 2023 together with the report of the auditor thereon; and
- (e) one copy of the management's discussion and analysis of the Corporation for the financial year ended December 31, 2023.

**APPROVAL**

The contents of this Management Information Circular and the sending thereof to the shareholders of the Corporation have been approved by the directors of the Corporation.

May 14, 2024

By Order of the Board

(signed) "*Mr. John Keating*"  
President and Chief Executive Officer

**SCHEDULE "A"**

**SHAREHOLDER RIGHTS PLAN AGREEMENT**

**DATED AS OF MAY 14, 2024**

**BETWEEN**

**PJX RESOURCES INC.**

**AND**

**COMPUTERSHARE INVESTOR SERVICES INC.  
AS RIGHTS AGENT**

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## SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS SHAREHOLDER RIGHTS PLAN AGREEMENT is dated as of May 14, 2024.

**BETWEEN:**

**PJX RESOURCES INC.**  
a corporation incorporated under the laws of the province of Ontario  
  
(the "**Corporation**")

- and -

**COMPUTERSHARE INVESTOR SERVICES INC.,**  
a corporation incorporated under the laws of Canada  
  
(the "**Rights Agent**")

**WHEREAS:**

- A. The Directors have determined that it is advisable and in the best interests of the Corporation to adopt a shareholder rights plan (the "**Rights Plan**") to ensure, to the extent possible, that all of the shareholders of the Corporation are treated fairly in connection with any take-over bid for the Corporation;
- B. In order to implement the Rights Plan, the Directors have authorized:
  - (i) the issuance of one Right (as defined herein) in respect of each Common Share that was issued at the Record Time (as defined herein); and
  - (ii) the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time;
- C. Each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;
- D. The Corporation wishes to appoint the Rights Agent to act on behalf of the Corporation and the holders of the Rights, and the Rights Agent is willing to so act on behalf of the Corporation and the holders of the Rights in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein;
- E. The forgoing recitals are made as representations and statements of fact by the Corporation and not by the Rights Agent;

**NOW THEREFORE**, in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

For purposes of this Agreement, including the recitals hereto, the following terms have the meanings indicated:

"**Acquiring Person**" means any Person who is the Beneficial Owner of 20% or more of the outstanding Common Shares provided, however, that the term "**Acquiring Person**" shall not include:

- (a) the Corporation;
- (b) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of one or any combination of:
  - (i) a Common Share Reduction;
  - (ii) a Permitted Bid Acquisition;
  - (iii) an Exempt Acquisition;
  - (iv) a Pro Rata Acquisition; or
  - (v) a Convertible Security Acquisition

provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Common Shares by reason of one or any combination of a Common Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition and thereafter such Person's Beneficial Ownership of Common Shares thereafter increases by more than 1.0% of the number of Common Shares outstanding (other than pursuant to one or any combination of a Common Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition), then as of the date such Person becomes the Beneficial Owner of such additional Common Shares, such Person shall become an "**Acquiring Person**";

- (c) for a period of 10 days after the Disqualification Date (as defined below), any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of such Person becoming disqualified from relying on paragraph (f) under the definition of "**Beneficial Owner**" solely because such Person is making or has announced an intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, "**Disqualification Date**" means the first date of public announcement that any Person is making or has announced an intention to make a Take-over Bid; or
- (d) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the outstanding Common Shares in connection with a distribution of securities of the Corporation.

"**Affiliate**", when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more controlled intermediaries, controls, or is controlled by, or is under common control with, such specified Person.

"**Agreement**" means this shareholder rights plan agreement dated effective as of May 14, 2024, between the Corporation and the Rights Agent, as the same may be amended or supplemented from time to time; "hereof", "herein", "hereto" and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement.

"**annual cash dividends**" means cash dividends paid in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, the greatest of:

- (a) 200% of the aggregate amount of cash dividends declared payable by the Corporation on the Common Shares in its immediately preceding fiscal year;
- (b) 300% of the arithmetic mean of the aggregate amounts of the annual cash dividends declared payable by the Corporation on the Common Shares in its three immediately preceding fiscal years; and
- (c) 150% of the aggregate consolidated net income of the Corporation, before extraordinary items, for its immediately preceding fiscal year.

"**Associate**" when used to indicate a relationship with a specified Person, means (a) a spouse of such specified Person, (b) any Person of either sex with whom such specified Person is living in a conjugal relationship outside marriage or (c) any relative of such specified Person or of a Person mentioned in clauses (a) or (b) of this definition if that relative has the same residence as the specified Person.

"**OBCA**" means the *Business Corporations Act* (Ontario), including the regulations promulgated thereunder, in either case as amended, and any comparable or successor laws or regulations thereto.

"**Beneficial Owner**": a Person shall be deemed the "**Beneficial Owner**" of, and to have "**Beneficial Ownership**" of, and to "**Beneficially Own**":

- (a) any securities as to which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;
- (b) any securities as to which such Person or any of such Person's Affiliates or Associates has, directly or indirectly, the right to become the owner at law or in equity (where such right is exercisable within a period of 60 days, whether or not on condition or the happening of any contingency or the making of any payment) upon the exercise of any conversion right, exchange right or purchase right (other than the Rights) attaching to Convertible Securities, or pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing, other than pursuant to any:
  - (i) customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a public offering or private placement of securities; or
  - (ii) pledges of securities in the ordinary course of business of a lender granted as security for *bona fide* indebtedness;

- (c) any securities which are subject to a Lock-up Agreement or similar commitment to deposit or tender such securities to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any Person acting jointly or in concert with such Person; and
- (d) any securities which are Beneficially Owned within the meaning of paragraphs (a) and (b) of this definition, by any other Person with whom such Person, or any of such Person's Affiliates or Associates, is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "**Beneficial Owner**" of, or to have "**Beneficial Ownership**" of, or to "**Beneficially Own**", any security;

- (e) by reason of such security having been, or having agreed to be, deposited or tendered pursuant to a Lock-up Agreement or is otherwise deposited or tendered to any Take-over Bid made by such Person, made by any of such Person's Affiliates or Associates or made by any other Person acting jointly or in concert with such Person until the earlier of such deposited or tendered security being accepted unconditionally for payment or exchange or being taken up or paid for;
- (f) by reason of such Person, any of such Person's Affiliates or Associates or any other Person acting jointly or in concert with such Person holding such security, provided that:
  - (i) the ordinary business of any such Person (the "**Investment Manager**") includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person (a "**Client**") including securities held in a non-discretionary account held on behalf of a Client by a broker or dealer appropriately registered under applicable law;
  - (ii) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an "**Estate Account**") or in relation to other accounts (each an "**Other Account**") and holds such security and is acting in the ordinary course of such duties for such Estate Account or for such Other Accounts;
  - (iii) such Person is established by statute for purposes that include, and the ordinary business or activity of such Person (the "**Statutory Body**") includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies and the Statutory Body holds such security for the purposes of its activities as such;
  - (iv) such Person (the "**Administrator**") is the administrator or trustee of one or more pension funds or plans (a "**Plan**"), or is a Plan registered or qualified under the laws of Canada or any Province thereof or the laws of the United States of America or any State thereof and the Administrator or Plan holds such security for the purposes of its activities as such; or

- (v) the ordinary business of such Person (the "**Crown Agent**") includes acting as an agent of the Crown in the management of public assets; or

but only if, in any of the above cases, that the Investment Manager, the Trust Company, the Statutory Body, the Administrator, the Plan or the Crown Agent, as the case may be,

- (A) is not then making a Take-over Bid or has not then announced an intention to make a Take-over Bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Common Shares or other securities (x) pursuant to a distribution by the Corporation, (y) by means of a Permitted Bid or (z) by means of ordinary market transactions (including prearranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, and

- (B) is not then acting jointly or in concert with any other Person who is making a Take-Over Bid (other than a Permitted Bid) or who has announced an intention to make a Take-Over Bid (other than a Permitted Bid);

- (g) because such Person, or any other Person acting jointly or in concert with such Person:

- (i) is a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security;

- (ii) has an Estate Account or an Other Account with the same Trust Company as another Person on whose account the Trust Company holds such security; or

- (iii) is a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;

- (h) because such Person, or any other Person acting jointly or in concert with such Person:

- (i) is a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager;

- (ii) has an Estate Account or an Other Account with a Trust Company and such security is owned at law or in equity by the Trust Company; or

- (iii) is a Plan and such security is owned at law or in equity by the Administrator of the Plan; or

- (i) because such Person is a registered holder of such security as a result of carrying on the business of, or acting as a nominee of, a securities depository.

**"Book Entry Form"** means, in reference to securities, securities that have been issued and registered in uncertificated form and includes securities evidenced by an advice or other statement and securities which are maintained electronically on the records of the Corporation's transfer agent but for which no certificate has been issued.

**"Book Entry Rights Exercise Procedures"** has the meaning ascribed to it in Section 2.2.4

**"Business Day"** means any day other than a Saturday, Sunday or a day on which banking institutions in Toronto are authorized or obligated by law to close.

**"Canadian Dollar Equivalent"** of any amount which is expressed in United States dollars means, on any date, the Canadian dollar equivalent of such amount determined by multiplying such amount by the U.S.-Canadian Exchange Rate in effect on such date.

**"close of business"** on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal transfer office in the City of Toronto of the transfer agent for the Common Shares (or, after the Separation Time, the principal transfer office in Toronto of the Rights) is closed to the public provided, however, that for the purposes of the definitions of **"Competing Permitted Bid"** and **"Permitted Bid"**, **"close of business"** on any given date means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day).

**"Common Share Acquisition Date"** means the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 5.2(1) of NI 62-104 or Section 13(d) of the 1934 Exchange Act) by the Corporation or an Acquiring Person that an Acquiring Person has become an Acquiring Person.

**"Common Share Reduction"** means an acquisition, redemption or cancellation by the Corporation of Common Shares.

**"Common Shares"** means the common shares in the capital stock of the Corporation as constituted at the Record Time and any other share of the Corporation into which such common shares may be subdivided, consolidated, reclassified or changed from time to time;

**"Competing Permitted Bid"** means a Take-over Bid that:

- (a) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of the Permitted Bid or Competing Permitted Bid;
- (b) satisfies all of the components of the definition of a Permitted Bid other than the requirements set out in paragraph (b)(i) of the definition of a Permitted Bid; and
- (c) contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid.

**"controlled"** a Person is **"controlled"** by another Person or two or more other Persons acting jointly or in concert if:

- (a) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or

- (b) in the case of a Person which is not a body corporate, more than 50% of the voting interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons;

and "**controls**", "**controlling**" and "**under common control with**" shall be interpreted accordingly.

"**Co-Rights Agents**" has the meaning ascribed thereto in Section 4.1.1.

"**Convertible Securities**" means, at any time, any securities issued by the Corporation (including rights, warrants, convertible debentures but not the Rights) carrying any purchase, exercise, conversion or exchange right, pursuant to which the holder thereof may acquire Common Shares or other securities convertible into or exercisable or exchangeable for Common Shares (in each case, whether such right is exercisable immediately or after a specified period and whether or not on condition or the happening of any contingency).

"**Convertible Security Acquisition**" means an acquisition by a Person of Common Shares upon the exercise, conversion or exchange of Convertible Securities owned by a Person at the Record Time or acquired by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition.

"**Directors**" means the board of directors of the Corporation or any duly constituted and empowered committee thereof.

"**Disposition Date**" has the meaning ascribed thereto in Section 5.1.9.

"**Dividend Reinvestment Acquisition**" means an acquisition of Common Shares pursuant to a Dividend Reinvestment Plan.

"**Dividend Reinvestment Plan**" means a regular dividend reinvestment or other plan of the Corporation made available by the Corporation to holders of Common Shares where such plan permits the holder to direct that some or all of:

- (a) dividends of the Corporation on the Common Shares;
- (b) proceeds of redemption of Common Shares;
- (c) interest paid on evidences of indebtedness of the Corporation; or
- (d) optional cash payments;

be applied to the purchase of Common Shares from the Corporation.

"**Effective Date**" means May 14, 2024.

"**Election to Exercise**" has the meaning ascribed thereto in Section 2.2.5(b).

"**Exempt Acquisition**" means an acquisition of Common Shares and/or Convertible Securities (i) in respect of which the Directors have waived the application of Section 3.1 pursuant to the provisions of Section 5.1.1 or Section 5.1.9; (ii) pursuant to a distribution of Common Shares or Convertible Securities (and the conversion or exchange of such Convertible Securities) made by the Corporation pursuant to a prospectus or private placement provided that the Person does not acquire a greater percentage of the securities offered in the distribution than the percentage of Common Shares Beneficially Owned by that

Person immediately prior to the distribution, or (iii) pursuant to an amalgamation, arrangement or other statutory procedure requiring shareholder approval.

"**Exercise Price**" means, as of any date, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be:

- (a) until Separation Time, an amount equal to three times the Market Price, from time to time, per Common share; and
- (b) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.

"**Expansion Factor**" has the meaning ascribed thereto in Section 2.3(a)(x).

"**Expiration Time**" means the close of business on the date of termination of this Agreement pursuant to Section 5.17.2.

"**Flip-in Event**" means a transaction or other event in or pursuant to which any Person becomes an Acquiring Person.

"**holder**" has the meaning ascribed thereto in Section 2.8.

"**Independent Shareholders**" means holders of outstanding Common Shares, other than:

- (a) any Acquiring Person;
- (b) any Offeror (other than any Person who, by virtue of paragraph (f) of the definition of "**Beneficial Owner**", is not deemed to Beneficially Own the Common Shares held by such Person);
- (c) any Affiliate or Associate of any Acquiring Person or Offeror;
- (d) any Person acting jointly or in concert with any Acquiring Person or Offeror; and
- (e) any employee benefit plan, share option plan, deferred profit sharing plan, securities participation plan and any other similar plan or trust for the benefit of employees of the Corporation unless the beneficiaries of the plan or trust direct the manner in which the Common Shares held by any such plan or trust are to be voted or withheld from voting or direct whether the Common Shares are to be tendered to a Take-over Bid.

"**Lock-up Agreement**" means an agreement between a Person and one or more holders of Common Shares and/or Convertible Securities (each such holder a "**Locked-up Person**") the terms of which:

- (a) are publicly disclosed and a copy of which is made available to the public (including the Corporation) not later than:
  - (i) the date of the Lock-up Bid (as defined below); or
  - (ii) if the Lock-up Bid has been made prior to the date on which such agreement is entered into, forthwith and in any event not later than the first Business Day following the date of such agreement, pursuant to which each Locked-up Person

agrees to deposit or tender Common Shares and/or Convertible Securities held by such holder to a Take-over Bid (the "**Lock-up Bid**") made by the Person or any of such Person's Affiliates or Associates or any other Person referred to in paragraph (d) of the definition of "**Beneficial Owner**":

(b) provide that any agreement to deposit or tender to, or to not withdraw Common Shares and/or Convertible Securities from, the Lock-up Bid is terminable at the option of the Locked-up Person in order to tender or deposit such Common Shares and/or Convertible Securities to another Take-over Bid or support another transaction:

(i) where the price or value of the consideration per Common Share and/or Convertible Security offered under such other Take-over Bid or transaction exceeds the price or value of the consideration per Common Share and/or Convertible Security offered under the Lock-up Bid; or

(ii) where:

(A) the price or value of the consideration per Common Share and/or Convertible Security offered under such other Take-over Bid or transaction exceeds the price or value of the consideration per Common Share and/or Convertible Security offered under the Lock-up Bid by an amount that is equal to or greater than the lesser of (x) any amount specified in the agreement and (y) 7%; or

(B) the number of Common Shares and/or Convertible Securities to be purchased under the other Take-over Bid or transaction exceeds the number of Common Shares and/or Convertible Securities offered to be purchased under the Lock-up Bid by an amount that is equal to or greater than the lesser of (x) any amount specified in the agreement and (y) 7%, and the price or value of the consideration per Common Share and/or Convertible Security, as applicable, is not less than the price or value of the consideration per Common Share and/or Convertible Security offered under the Lock-up Bid;

provided that the agreement may contain a right of first refusal or require a period of delay to give such Person an opportunity to match a higher price or value in another Take-over Bid or transaction or other similar limitation on a Locked-up Person's right to withdraw Common Shares and/or Convertible Securities from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Common Shares and/or Convertible Securities during the period of the other Take-over Bid or transaction; and

(c) provide that no "break-up" fees, "top-up" fees, penalties, expenses or other amounts shall be payable by a Locked-up Person pursuant to the agreement in the event a Locked-up Person fails to deposit or tender Common Shares and/or Convertible Securities to the Lock-up Bid or withdraws Common Shares and/or Convertible Securities previously tendered thereto in order to tender to another Take-over Bid or support another transaction that exceed in the aggregate the greater of:

(i) the cash equivalent of 2.5% of the price or value of the consideration payable under the Lock-up Bid to a Locked-up Person; and

- (ii) 50% of the amount by which the price or value of the consideration payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid.

"**Market Price**" per security of any securities on any date of determination means the average of the daily closing prices per security of the securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on the date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on the date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price per security of any securities on any date shall be:

- (a) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of the securities as reported by the principal Canadian stock exchange (as determined by volume of trading) on which the securities are listed or admitted to trading;
- (b) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the last sale price or, in case no such sale takes place on the date, the average of the closing bid and asked prices for each of the securities as reported by the principal national United States securities exchange (as determined by volume of trading) on which the securities are listed or admitted to trading;
- (c) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or a national United States securities exchange, the last sale price or, in case no sale takes place on such date, the average of the high bid and low asked prices for each of the securities in the over-the-counter market, as quoted by any recognized reporting system then in use; or
- (d) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or a national United States securities exchange or quoted by any reporting system, the average of the closing bid and asked prices as furnished by a recognized professional market maker making a market in the securities;

provided, however, that if for any reason none of such prices is available on such day, the closing price per security of the securities on such date means the fair value per security of the securities on such date as determined by an internationally recognized investment dealer or investment banker; provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof has caused any price used to determine the Market Price on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in

United States dollars, such amount shall be translated into Canadian dollars on that date at the Canadian Dollar Equivalent thereof.

"**1933 Securities Act**" means the United States *Securities Act of 1933*, as amended, and the rules and regulations thereunder, as now in effect or as the same may from time to time be amended, re-enacted or replaced.

"**1934 Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations thereunder as now in effect or as the same may from time to time be amended, re-enacted or replaced.

"**NI 62-104**" means National Instrument 62-104 – Take-over Bids and Issuer Bids of the Canadian Securities Administrators as now in effect or as the same may from time to time be amended, re-enacted or replaced.

"**Nominee**" has the meaning ascribed thereto in Section 2.2.3.

"**Offer to Acquire**" includes:

- (a) an offer to purchase, a public announcement of an intention to make an offer to purchase, or a solicitation of an offer to sell; and
- (b) an acceptance of an offer to sell, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell.

"**Offeror**" means a Person who has announced an intention to make or who has made a Take-over Bid (including a Permitted Bid or Competing Permitted Bid but excluding an Offer to Acquire Common Shares or other securities made by an Investment Manager, Trust Company, Crown Agent, Statutory Body, Administrator or Plan referred to in paragraph (f) of the definition of Beneficial Owner pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) in the circumstances contemplated in said paragraph (f)) but only so long as the Take-over Bid so announced or made has not been withdrawn or terminated or has not expired.

"**Offeror's Securities**" means Common Shares Beneficially Owned by an Offeror on the date of the Offer to Acquire.

"**Permitted Bid**" means a Take-over Bid made by an Offeror by way of take-over bid circular and which also complies with the following additional provisions:

- (a) the Take-over Bid is made to all holders of Common Shares as registered on the books of the Corporation, other than the Offeror;
- (b) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the Take-over Bid:
  - (i) prior to the close of business on the date which is not less than 105 days following the date of the Take-over Bid or such shorter minimum initial deposit

period that a take-over bid (that is not exempt from the general take-over bid requirements contained in Part 2 of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and

- (ii) only if at such date more than 50% of the aggregate number of the outstanding Common Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (c) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that Common Shares may be deposited pursuant to such Take-over Bid at any time during the period of time described in paragraph (b)(i) above and that any Common Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (d) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified provision that in the event that the deposit condition set forth in paragraph (b)(ii) above is satisfied, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Common Shares for not less than 10 days from the date of such public announcement.

**"Permitted Bid Acquisition"** means an acquisition of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid.

**"Person"** includes any individual, firm, partnership, association, trust, trustee, executor, administrator, legal personal representative, body corporate, corporation, unincorporated organization, syndicate, governmental entity or other similar entity.

**"Privacy Laws"** has the meaning ascribed thereto in Section 4.6.

**"Pro Rata Acquisition"** means an acquisition of Common Shares or Convertible Securities by a Person pursuant to:

- (a) a Dividend Reinvestment Acquisition;
- (b) a Common Share distribution, Common Share split or other event in respect of securities of the Corporation of one or more particular classes or series pursuant to which such Person becomes the Beneficial Owner of Common Shares or Convertible Securities on the same pro rata basis as all other holders of securities of the particular class or series;
- (c) the acquisition or the exercise by the Person of only those rights to purchase Common Shares distributed to that Person in the course of a distribution (other than the Rights) to all holders of Common Shares pursuant to a rights offering or pursuant to a prospectus, provided that the Person does not thereby acquire a greater percentage of Common Shares than the Person's percentage of Common Shares Beneficially Owned immediately prior to such acquisition or exercise; or
- (d) a distribution of Common Shares, or Convertible Securities made pursuant to a prospectus or by way of a private placement by the Corporation or a conversion or exchange of any Convertible Security provided that the Person does not thereby acquire a greater percentage of such Common Shares, or Convertible Securities so offered than the

Person's percentage of Common Shares Beneficially Owned immediately prior to such acquisition.

**"Record Time"** means 4:00 p.m. (Eastern Time) on the Effective Date.

**"Right"** means a right to purchase a Common Share upon the terms and subject to the conditions set forth in this Agreement.

**"Rights Certificate"** means the certificates representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as **Error! Reference source not found.**

**"Rights Register"** has the meaning ascribed thereto in Section 2.6.1.

**"Rights Registrar"** has the meaning ascribed thereto in Section 2.6.1.

**"Securities Act"** means the *Securities Act*, R.S.O. 1990, c. S.5, as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations or rules thereto.

**"Separation Time"** means the close of business on the tenth Trading Day after the earliest of:

- (a) the Common Share Acquisition Date;
- (b) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation) to commence, a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid); and
- (c) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such;

or such later time as may be determined by the Directors, provided that, if any Take-over Bid referred to in paragraph (b) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made and further provided that if the Corporation determines pursuant to Section 5.1 to waive the application of Section 3.1 to a Flip-in Event, the Separation Time in respect of such Flip-in Event shall be deemed never to have occurred.

**"Take-over Bid"** means an Offer to Acquire Common Shares and/or Convertible Securities, where the Common Shares and/or Convertible Securities subject to the Offer to Acquire, together with the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Common Shares at the date of the Offer to Acquire;

**"Trading Day"**, when used with respect to any securities, means a day on which the principal Canadian stock exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian stock exchange, a Business Day.

**"U.S.-Canadian Exchange Rate"** means, on any date:

- (a) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and

- (b) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in such manner as may be determined by the Directors from time to time acting in good faith.

## **1.2 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

## **1.3 Headings**

The division of this Agreement into Articles, Sections and paragraphs or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## **1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Common Shares**

For purposes of this Agreement, the percentage of Common Shares Beneficially Owned by any Person shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times \frac{A}{B}$$

where:

A = the number of votes on matters subject to approval by holders generally attaching to the Common Shares Beneficially Owned by such Person; and

B = the number of votes on matters subject to approval by holders generally attaching to all of the outstanding Common Shares.

Where any Person is deemed to Beneficially Own unissued Common Shares, such Common Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Common Shares Beneficially Owned by such Person, but no other unissued Common Shares shall, for the purposes of such calculation, be deemed to be outstanding.

## **1.5 Acting Jointly or in Concert**

For purposes of this Agreement, a Person is acting jointly or in concert with every other Person who is a party to any agreement, commitment or understanding (whether formal or informal and whether or not in writing) with the first mentioned Person or an Affiliate thereof, to acquire or Offer to Acquire any Common Shares (other than (i) customary agreements with and between the Corporation and underwriters and members of banking groups or selling group members with respect to a distribution of securities or (i) pursuant to pledges or hypothecations of securities in the ordinary course of business).

## **ARTICLE 2 THE RIGHTS**

### **2.1 Issue of Rights and Legend on Common Share Certificates**

2.1.1 One Right shall be issued effective the Record Time in respect of each Common Share issued at the Record Time and one Right shall be issued in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time.

2.1.2 Certificates or other evidence of registration (including a Direct Registration System statement or other book entry confirmation) for the Common Shares which are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall also evidence one Right for each Common Share represented by such certificates and shall have impressed on, printed on, written on or otherwise affixed to them a legend in substantially the following form:

Until the Separation Time (defined in the Agreement below), this certificate also evidences the holder's rights described in the Shareholder Rights Plan Agreement dated as of May 14, 2024 (the "**Agreement**") between PJX Resources Inc. and Computershare Investor Services Inc., as may be amended, restated or supplemented from time to time in accordance with the terms thereof, the terms of which are incorporated herein and a copy of which is available on demand without charge. Under certain circumstances set out in the Agreement, the rights may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate.

2.1.3 Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share and represented by such certificates, notwithstanding the absence of the legend set forth in Section 2.1.2, until the earlier of the Separation Time and the Expiration Time.

2.1.4 Registered holders of Common Shares who have not received a share certificate and are entitled to do so on the earlier of the Separation Time and the Expiration Time shall be entitled to Rights as if such certificates had been issued and such Rights shall for all purposes hereof be evidenced by the corresponding entries on the securities register of the Corporation.

### **2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights**

2.2.1 Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price (and the Exercise Price and number of Common Shares are subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights that are Beneficially Owned by the Corporation or any of its Subsidiaries shall be void.

2.2.2 Until the Separation Time:

- (a) the Rights shall not be exercisable and no Right may be exercised; and
- (b) each Right will be evidenced by the certificate for the associated Common Share registered in the name of the holder thereof (which certificate shall also be deemed to

represent a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.

2.2.3 From and after the Separation Time and prior to the Expiration Time:

- (a) the Rights shall be exercisable; and
- (b) the registration and transfer of Rights shall be separate from and independent of the Common Shares.

2.2.4 Promptly following the Separation Time, the Corporation will determine whether it wishes to issue Rights Certificates or whether it will maintain the Rights in Book Entry Form. In the event the Corporation determines to maintain the Rights in Book Entry Form, it will put in place such alternative procedures as are directed by the Rights Agent for the Rights to be maintained in Book Entry Form (the "**Book Entry Rights Exercise Procedures**"), it being hereby acknowledged that such procedures shall, to the greatest extent possible, replicate in all substantive respects the procedures set out in this Agreement with respect to the exercise of the Rights Certificates and the procedures set out in this Agreement shall be modified only to the extent necessary, as determined by the Rights Agent, to permit the Corporation to maintain the Rights in Book Entry Form. In such event, the Book Entry Rights Exercise Procedures shall be deemed to replace the procedures set out in this Agreement with respect to the exercise of Rights and all provisions of this Agreement referring to Rights Certificates shall be applicable to Rights registered in Book Entry Form in like manner as to Rights in certificated form. In the event that the Corporation determines to issue Rights Certificates, the Corporation will prepare and the Rights Agent will mail to each holder of record of Common Share as of the Separation Time and, in respect of each Convertible Security converted into Common Shares after the Separation Time and prior to the Expiration Time, to the holder so converting (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a "**Nominee**")), at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (x) a Rights Certificate appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may, from time to time, be listed or traded, or to conform to usage; and

- (y) a disclosure statement prepared by the Corporation describing the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person.

2.2.5 In the event that the Corporation determines to issue Rights Certificates, rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent:

- (a) the Rights Certificate evidencing such Rights;

- (b) an election to exercise such Rights (an "**Election to Exercise**") substantially in the form attached to the Rights Certificate appropriately completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
- (c) payment by certified cheque, banker's draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or governmental charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.

2.2.6 In the event that the Corporation determines to issue Rights Certificates, then upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Section 2.2.5(b), which does not indicate that such Right is null and void as provided by Section 3.1.2, and payment as set forth in Section 2.2.5(c), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:

- (a) requisition from the transfer agent certificates representing the number of such Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
- (b) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares in accordance with Section 5.5.2;
- (c) after receipt of the certificates referred to in Section 2.2.6(a), deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;
- (d) when appropriate, after receipt, deliver the cash referred to in Section 2.2.6(b) to or to the order of the registered holder of such Rights Certificate; and
- (e) tender to the Corporation all payments received on exercise of Rights.

2.2.7 In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Section 5.5.1) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.

2.2.8 The Corporation covenants and agrees that it will:

- (a) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Common Shares or registration in Book Entry Form of such Common Shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered as fully paid and non-assessable;
- (b) take all such action as may be necessary and within its power to comply with the requirements of the OBCA, the Securities Act, the securities laws or comparable

legislation of each of the other provinces of Canada, the 1933 Securities Act and the 1934 Exchange Act and the rules and regulations thereunder and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;

- (c) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the principal stock exchanges on which the Common Shares were traded immediately prior to the Common Share Acquisition Date;
- (d) pay when due and payable, if applicable, any and all Canadian and United States federal, provincial, state, and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or certificates for or registration in Book Entry Form of Common Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares or registration in Book Entry Form of Common Shares in a name other than that of the holder of the Rights being transferred or exercised; and
- (e) after the Separation Time, except as permitted by Section 5.1, not take any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

### **2.3 Adjustments to Exercise Price; Number of Rights**

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the date of this Agreement and prior to the Expiration Time:
  - (i) declare or pay a dividend on Common Shares payable in Common Shares or Convertible Securities other than pursuant to any Dividend Reinvestment Plan;
  - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
  - (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or
  - (iv) issue any Common Shares, Convertible Securities or other securities of the Corporation in respect of, in lieu of or in exchange for existing Common Shares except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted as of the payment or effective date in the manner set forth below.

If the Exercise Price and number of Rights outstanding are to be adjusted:

- (x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other securities) (the "**Expansion Factor**") that a holder of one Common Share immediately prior to such distribution, subdivision, change, consolidation or issuance would hold thereafter as a result thereof (assuming the exercise of all Conversion Rights); and
- (y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the Common Shares issued in respect of such distribution, subdivision, change, consolidation or issuance, so that each such Common Share will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such distribution, subdivision, change, consolidation or issuance would hold thereafter as a result of such dividend, subdivision, change, consolidation or issuance. To the extent that such rights of exchange, conversion or acquisition are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect based on the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights.

If, after the Record Time and prior to the Expiration Time, the Corporation shall issue any securities other than Common Shares in a transaction of a type described in 2.3(a)(i) or (iv), such securities shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1.1 hereof, the adjustment provided for in this Section 2.3 shall be in addition to and shall be made prior to any adjustment required pursuant to Section 3.1.1 hereof. Adjustments pursuant to Section 2.3(a) shall be made successively, whenever an event referred to in Section 2.3(a) occurs.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in this Section 2.3(a), each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing the associated Common Share.

- (b) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or Convertible Securities in respect thereof) at a price per Common Share (or, in the case of a

Convertible Security having a conversion, exchange or exercise price, including the price required to be paid to purchase such Convertible Security) less than 90% of the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:

- (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the Convertible Securities including the price required to be paid to purchase such Convertible Securities) would purchase at such Market Price per Common Share; and
- (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares to be offered for subscription or purchase (or into which the Convertible Securities so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to any Dividend Reinvestment Plan or any employee benefit, Common Share option, Common Share purchase or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in all such cases, the right to purchase Common Shares is either:

- (i) at a price per Common Share of not less than 90% of the current market price per Common Share (determined as provided in such plans) of the Common Shares; or
  - (ii) limited to directors, officers, employees or consultants of or to the Corporation or its Subsidiaries, and is part of the Corporation's regular compensation practices.
- (c) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares (including any such distribution made in connection with a merger or amalgamation) of evidences of indebtedness, cash (other than an annual cash dividend or a dividend referred to in Section 2.3(a)(i), but including any dividend payable in other securities of the Corporation other than Common Shares), assets or rights, options or warrants (excluding those referred to in Section 2.3(b)), the Exercise Price to be in effect

after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:

- (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights), on a per Common Share basis, of the portion of the cash, assets, evidences of indebtedness, rights, options or warrants so to be distributed; and
- (ii) the denominator of which shall be such Market Price per Common Share.

Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such a distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.

- (d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a security. Notwithstanding the first sentence of this Section 2.3(d), any adjustment required by Section 2.3 shall be made no later than the earlier of:
  - (i) three years from the date of the transaction which gives rise to such adjustment; or
  - (ii) the Expiration Time.
- (e) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue securities (other than Common Shares), or rights, options or warrants to subscribe for or purchase any such securities, or securities convertible into or exchangeable for any such securities, in a transaction referred to in Section 2.3(a)(i) or (iv), if the Directors acting in good faith determine that the adjustments contemplated by Sections 2.3(a), (b) and (c) in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Sections 2.3(a), (b) and (c) such adjustments, rather than the adjustment contemplated by Sections 2.3(a), (b) and (c) shall be made. The Corporation and the Rights Agent, with prior approval of holders given in accordance with the provisions of Section 5.4 shall have authority to amend this Agreement as appropriate to provide for such adjustments.
- (f) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.

- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.
- (h) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Common Shares or other securities upon the occurrence of the event requiring such adjustment.
- (i) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Directors determine to be advisable, in order that any:
  - (i) consolidation or subdivision of Common Shares;
  - (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
  - (iii) stock dividends;
  - (iv) issuance of rights, options or warrants referred to in this Section 2.3,

hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such holders.

#### **2.4 Date on Which Exercise Is Effective**

Each Person in whose name any certificate for Common Shares or other securities, property or assets, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares or other securities, property or assets, if applicable, represented thereby on, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Section 2.2.5 (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such securities on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

## **2.5 Execution, Authentication, Delivery and Dating of Rights Certificates**

- 2.5.1 The Rights Certificates shall be executed on behalf of the Corporation by any two of the President, Chief Executive Officer, the Chief Financial Officer and the Secretary. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- 2.5.2 Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall manually countersign (in a manner satisfactory to the Corporation) and send such Rights Certificates to the holders of the Rights pursuant to Section 2.2.3 hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- 2.5.3 Each Rights Certificate shall be dated the date of countersignature thereof.

## **2.6 Registration, Transfer and Exchange**

- 2.6.1 The Corporation will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the "**Rights Registrar**") for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided, and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.
- (a) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6.3, the Corporation will execute, and the Rights Agent will manually countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered. Alternatively, in the case of the exercise of Rights in Book Entry Form, the Rights Agent shall provide the holder or designated transferee or transferees with one or more statements issued under the Right Agent's direct registration system evidencing the same aggregate number of Rights as did the direct registration system's records for the Rights transferred or exchanged.
- 2.6.2 All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- 2.6.3 Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer satisfactory in form to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to

cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) in connection therewith.

## **2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates**

2.7.1 If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as the Rights Certificate so surrendered.

2.7.2 If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:

- (a) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
- (b) such surety bond as may be reasonably required by them to save each of them and any of their agents harmless,

then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as the Rights Certificate so the destroyed, lost or stolen.

2.7.3 As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

2.7.4 Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

## **2.8 Persons Deemed Owners of Rights**

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate or if no certificate evidences the Common Share registration, satisfactory evidence of the associated Common Share registration) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term "holder" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, of the associated Common Shares) and the term "certificate", when used in the context of a certificate representing Common Shares or a Rights Certificate, shall include any document or written acknowledgement constituting evidence of book-entry ownership of the applicable securities as may be adopted from time to time by the Corporation.

## **2.9 Delivery and Cancellation of Certificates**

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, and its ordinary business practices, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

## **2.10 Agreement of Rights Holders**

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only upon registration of transfer on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Right Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional Common Shares or other securities upon exercise of a Right (except as provided herein);
- (f) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Common Shares and upon the sole authority of the Directors, acting in good faith, this Agreement may be supplemented or amended from time to time to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with the intent of this Agreement or is otherwise defective, as provided herein; and
- (g) that, notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by

reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

## **2.11 Rights Certificate Holder Not Deemed a Shareholder**

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Common Shares or any other securities of the Corporation or any right to vote at any meeting of holders of the Corporation whether for the election of Directors or otherwise or upon any matter submitted to holders of Common Shares or any other securities of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other securities of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

## **2.12 Global Common Share Certificate and Book Entry System**

- 2.12.1 Notwithstanding any of the provisions of this Agreement, until the Directors otherwise determine in writing and provide notice thereof to the Rights Agent, the Rights to be issued hereunder to holders of Common Shares whose Common Shares are represented in Book Entry Form will be made through the book entry system representing the number of Rights so issued. Holders of Common Shares or associated Rights represented by the book entry system will not be entitled to a certificate or other instrument from the Corporation, transfer agent or Rights Agent to evidence the ownership thereof. Common Shares issued as a result of the exercise of any Right represented through the book entry system will also be represented through the book entry system in all circumstances.
- 2.12.2 For as long as Rights are held through The Canadian Depository for Securities Limited ("CDS"), any notice or other communication that is required to be given to holders of Rights will be given through CDS. The Rights of a holder whose Rights are held through CDS shall be exercised only through CDS.

## **ARTICLE 3 ADJUSTMENTS TO THE RIGHTS**

### **3.1 Flip-in Event**

- 3.1.1 Subject to Section 3.1.2 and Section 5.1, if prior to the Expiration Time a Flip-in Event occurs, then thereafter each Right shall constitute, effective from and after the close of business on the tenth Trading Day after the Common Share Acquisition Date, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price

(such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such consummation or occurrence, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).

3.1.2 Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Common Share Acquisition Date by:

- (a) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
- (b) a transferee or other successor in title, direct or indirect, of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), in a transfer of Rights whether or not for consideration that the Directors have determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding Section 3.1.2(a),

shall become null and void without any further action, and any holder of such Rights (including transferees or other successors in title) shall thereafter have no right to exercise or transfer such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise.

3.1.3 From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the Securities Act and the securities laws or comparable legislation of each of the provinces and territories of Canada and of the United States and each of the states thereof in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

3.1.4 Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Section 3.1.2(a) or (b) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Section 3.1.2 of the Amended and Restated Shareholder Rights Plan Agreement.

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend

only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend.

## **ARTICLE 4 THE RIGHTS AGENT**

### **4.1 General**

- 4.1.1 The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of the Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents ("**Co-Rights Agents**") as it may deem necessary or desirable, subject to the approval of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and the Co-Rights Agents shall be as the Corporation may determine, with the approval of the Rights Agent and the Co-Rights Agents. The Corporation agrees to pay all reasonable fees and expenses of the Rights Agent in respect of the performance of its duties under this Agreement. The Corporation also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold such persons harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- 4.1.2 The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any Common Share registration confirmed in writing by the transfer agent of the Corporation (unless such transfer agent is the Rights Agent or any Affiliate thereof), any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- 4.1.3 Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.
- 4.1.4 The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

### **4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent**

- 4.2.1 Any corporation into which the Rights Agent or any successor of the Rights Agent may be merged or amalgamated or with which it may be consolidated, or to which all or substantially all

of its corporate business is sold or otherwise transferred, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. If, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, the successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and if, at that time, any of the Rights have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

- 4.2.2 If, at any time, the name of the Rights Agent is changed and at such time any of the Rights Certificates have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and if, at that time, any of the Rights Certificates have not been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

### **4.3 Duties of Rights Agent**

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the holders of certificates for Common Shares and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) the Rights Agent, at the expense of the Corporation, may consult with and retain legal counsel (who may be legal counsel for the Corporation) and such other experts as it reasonably considers necessary to perform its duties hereunder, and the opinion of such counsel or other expert will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion;
- (b) whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof is specifically prescribed herein) is deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the President, the Chief Executive Officer, the Chief Financial Officer or the Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;
- (c) nothing in this Agreement shall be construed as relieving the Rights Agent from liability for its own gross negligence, bad faith or willful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same,

but all such statements and recitals are and will be deemed to have been made by the Corporation only;

- (e) the Rights Agent will not have any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Common Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any breach by the Corporation of the Securities Act, the securities laws or comparable legislation of each of the other provinces of Canada, the 1933 Securities Act or the 1934 Exchange Act or the rules and regulations thereunder; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1.2 hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor is it deemed by any act hereunder to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non- assessable;
- (f) the Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;
- (g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the President, the Chief Executive Officer, the Chief Financial Officer or the Secretary of the Corporation, and to apply to any such individual for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual;
- (h) the Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement and nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity; and
- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

#### **4.4 Change of Rights Agent**

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail. The Corporation may remove the Rights Agent upon 60 days notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 60 days after removal or after it has been notified in writing of the resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation, the resigning Rights Agent or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply to a court of competent jurisdiction for the appointment of a new Rights Agent, at the Corporation's expense. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receipt of all outstanding fees and expenses owing to it, shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.10. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

#### **4.5 Compliance with Anti-Money Laundering Legislation**

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti- money laundering or anti-terrorist legislation, regulator or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days notice in writing to the Corporation, provided: (i) that the written notice of the Rights Agent shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the satisfaction of the Rights Agent within such 10 day period, then such resignation shall not be effective.

#### **4.6 Privacy Laws**

The parties acknowledge that federal and/or provincial legislation that addresses the protection of personal information of individuals (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

**ARTICLE 5  
MISCELLANEOUS**

**5.1 Redemption and Waiver**

- 5.1.1 The Directors acting in good faith may, until the occurrence of a Flip-in Event, upon prior written notice delivered to the Rights Agent, waive the application of Section 3.1 to a particular Flip-in Event that would result from a Take-over Bid made by way of take-over bid circular to all holders of record of Common Shares (which for greater certainty shall not include the circumstances described in Section 5.1.9); provided that if the Directors waive the application of Section 3.1 to a particular Flip-in Event pursuant to this Section 5.1.1, the Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid which is made by means of a take-over bid circular to all holders of record of Common Shares prior to the expiry of any Take-over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been, granted under this Section 5.1.1.
- 5.1.2 Subject to the prior consent of the holders of the Common Shares or the Rights as set forth in Section 5.4.2 or 5.4.3, as applicable, the Directors acting in good faith may, at their option, at any time prior to the provisions of Section 3.1 becoming applicable as a result of the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to the provisions of this Section 5.1, elect to redeem all but not less than all of the outstanding Rights at a redemption price of \$0.000001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- 5.1.3 Subject to the prior consent of the holders of Common Shares obtained as set forth in Section 5.4.2 or 5.4.3, the Directors may, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 hereof has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Common Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all registered holders of Common Shares and otherwise than in the circumstances set forth in Section 5.1.9 hereof, waive the application of Section 3.1 hereof to such Flip-in Event. In such event, the Board of Directors shall extend the Separation Time to a date at least 10 Trading Days subsequent to the meeting of shareholders called to approve such waiver.
- 5.1.4 Where, pursuant to a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition under Section 5.1.1, a Person acquires outstanding Common Shares, other than Common Shares Beneficially Owned by such Person at the date of the Permitted Bid, the Competing Permitted Bid or the Exempt Acquisition under Section 5.1.1, then the Directors shall immediately upon the consummation of such acquisition without further formality and without any approval under Section 5.4.2 or 5.4.3 be deemed to have elected to redeem the Rights at the Redemption Price.
- 5.1.5 Where a Take-over Bid that is not a Permitted Bid Acquisition expires, is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Directors may elect to redeem all the outstanding Rights at the Redemption Price.
- 5.1.6 If the Directors are deemed under Section 5.1.4 to have elected, or elect under either of Section 5.1.2 or 5.1.5, to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.

- 5.1.7 Within 10 Business Days after the Directors are deemed under Section 5.1.4 to have elected, or elect under Section 5.1.2 or 5.1.5, to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner provided herein shall be deemed given, whether or not the holder receives the notice. Each notice of redemption will state the method by which the payment of the Redemption Price will be made.
- 5.1.8 Upon the Rights being redeemed pursuant to Section 5.1.5, all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder, and for all purposes of this Agreement, the Separation Time shall be deemed not to have occurred and the Rights shall remain attached to the outstanding Common Shares, subject to and in accordance with the provisions of this Agreement.
- 5.1.9 The Directors may waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Directors have determined within 10 Trading Days following a Common Share Acquisition Date that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Directors, such Common Share Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Section 5.1.9 must be on the condition that such Person, within 14 days after the foregoing determination by the Directors or such earlier or later date as the Directors may determine (the "**Disposition Date**"), has reduced its Beneficial Ownership of Common Shares so that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Common Share Acquisition Date and Section 3.1 shall apply thereto.
- 5.1.10 The Corporation shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Directors under this Section 5.1.

## **5.2 Expiration**

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Sections 4.1.1 and 4.1.2 of this Agreement.

## **5.3 Issuance of New Rights Certificates**

Notwithstanding any of the provisions of this Agreement or the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

## **5.4 Supplements and Amendments**

- 5.4.1 The Corporation may make amendments to this Agreement to correct any clerical or typographical error or, subject to Section 5.4.5, which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment

shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.

- 5.4.2 Subject to Section 5.4.1, the Corporation may, with the prior consent of the holders of Common Shares obtained as set forth below, at any time prior to the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Common Shares duly called and held in compliance with applicable laws and the notice of articles and articles of the Corporation.
- 5.4.3 The Corporation may, with the prior consent of the holders of Rights, at any time on or after the Separation Time, supplement, amend, vary or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such supplement, amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if such supplement, amendment, variation or deletion is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders and representing 50% plus one of the votes cast in respect thereof.
- 5.4.4 Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those provided for in the Corporation's articles and the OBCA with respect to meetings of holders of Common Shares.
- 5.4.5 Any amendments made by the Corporation to this Agreement pursuant to Section 5.4.1 which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rule or regulation thereunder shall:
- (a) if made before the Separation Time, be submitted to the holders of Common Shares at the next meeting of holders and the holders may, by the majority referred to in Section 5.4.2, confirm or reject such amendment;
  - (b) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of holders of Common Shares and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4.4, confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Directors adopting such amendment, until it is confirmed or rejected in accordance with Section 5.4.5 or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the holders of Common Shares or the holders of Rights or is not submitted to the holders of the Common Shares or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have

been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the holders of Common Shares or holders of Rights as the case may be.

## **5.5 Fractional Rights and Fractional Common Shares**

- 5.5.1 The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, in lieu of issuing fractional Rights, the Corporation shall pay to the holders of record of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Section 3.1.2, at the time such fractional Rights would otherwise be issuable), an amount in cash equal to the fraction of the Market Price of one whole Right that the fraction of a Right that would otherwise be issuable is of one whole Right.
- 5.5.2 The Corporation shall not be required to issue fractions of Common Shares upon exercise of Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one whole Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.

## **5.6 Rights of Action**

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

## **5.7 Regulatory Approvals**

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of requisite approval or consent from any applicable governmental or regulatory authority, including, without limiting the generality of the foregoing, any necessary approvals of the Canadian Securities Exchange or any other stock exchange.

## **5.8 Declaration as to Non-Canadian or Non-U.S. Holders**

If in the opinion of the Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada or the United States, the Directors acting in good faith shall take such actions as they may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on

exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

## **5.9 Fiduciary Duties of the Directors**

Nothing contained herein shall be construed to suggest or imply that the Directors shall not be entitled to recommend that holders of the Common Shares and/or Convertible Securities reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to shareholders that the directors believe are necessary or appropriate in the exercise of their fiduciary duties.

## **5.10 Notices**

5.10.1 Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

**PJX Resources Inc.**  
100 King Street West  
Suite 5600  
Toronto, Ontario M5X 1C9

Attention: Linda Brennan, Chief Financial Officer  
Email: lbrennan@pjxresources.com

5.10.2 Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

**Computershare Investor Services Inc.**  
100 University Avenue  
8th Floor  
Toronto Ontario, M5J 2Y1

Attention: Manager, Client Services

5.10.3 Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register for the Common Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.

5.10.4 Any notice given or made in accordance with this Section 5.10 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day

(excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice to the other given in the manner aforesaid.

- 5.10.5 If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 5.10, give such notice by means, of publication once in each of two successive weeks in the business section of the Financial Post, or in such other publication or publications as may be designated by the Corporation and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.
- 5.10.6 A requirement under this Agreement that a notice, document or other information be given or made in writing may be satisfied by the Corporation or the Rights Agent by providing an electronic notice, document or other information in accordance with the OBCA, the *Electronic Commerce Act* (Ontario) and other applicable laws. An electronic document is deemed to have been received when it enters the information system designated by the addressee or, if the notice, document or information is posted on or made available through a generally accessible electronic source, when the addressee receives notice in writing of the availability and location of that electronic notice, document or information or, if such notice is sent electronically, when it enters the information system designated by the addressee. Accidental error or omission in giving notice or accidental failure to mail notice to any holders of the Rights will not invalidate any action or proceeding founded thereon.

## **5.11 Notice of Proposed Actions**

If after the Separation Time and prior to the Expiration Time:

- (a) there shall occur an adjustment in the rights attaching to the Rights pursuant to Section 3.1 as a result of the occurrence of a Flip-in Event, or
- (b) the Corporation proposes to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets.

then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.11, a notice of such event or proposed action, which shall specify the date on which such change to the Rights, liquidation, dissolution or winding up occurred or is to take place, and such notice shall be so given within 10 Business Days after the occurrence of a change to the Rights and not less than 20 Business Days prior to the date of taking such proposed action by the Corporation.

## **5.12 Costs of Enforcement**

The Corporation agrees that if the Corporation fails to fulfill any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

### **5.13 Successors**

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

### **5.14 Benefits of this Agreement**

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

### **5.15 Governing Law**

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such province applicable to contracts to be made and performed entirely within such province.

### **5.16 Severability**

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

### **5.17 Effective Date and Reconfirmation**

5.17.1 This Agreement is effective from the Effective Date and in full force and effect in accordance with its terms and conditions from and after the Effective Date. If this Agreement is not confirmed by resolution passed by a majority of the votes cast by the Independent Shareholders who vote in respect of such confirmation at a meeting of shareholders to be held not later than six months from the Effective Date, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date which is the earlier of (a) the date of termination of the meeting called to consider the confirmation of this Agreement and (b) six months from the Effective Date.

5.17.2 This Agreement must be reconfirmed by a resolution passed by a majority of greater than 50% of the votes cast by Independent Shareholders who vote in respect of such reconfirmation at the annual meeting of the Corporation to be held in 2024 (or in any case on or before November 14, 2024) and every third annual meeting of the Corporation thereafter. If the Agreement is not so reconfirmed or is not presented for reconfirmation at any such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the annual meeting; provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 5.1.1 or 5.1.9 hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.17.

### **5.18 Determinations and Actions by the Board of Directors**

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith, for the purposes hereof shall not subject the Board or any director of the Corporation to any liability to the holders of the Rights.

### **5.19 Time of the Essence**

Time shall be of the essence in this Agreement.

### **5.20 Execution in Counterparts**

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

### **5.21 Force Majeure**

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 5.21.

### **5.22 Language**

*Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise.* The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**PJX RESOURCES INC.**

By: (signed) "Linda Brennan"  
Name: Linda Brennan  
Title: Chief Financial Officer

**COMPUTERSHARE INVESTOR SERVICES INC.**

By: (signed) "Roxanne Parsaud"  
Name: Roxanne Parsaud  
Title: Relationship Manager

By: (signed) "Louise Waltenbury"  
Name: Louise Waltenbury  
Title: Relationship Manager

## SCHEDULE "A"

### PJX RESOURCES INC.

#### SHAREHOLDER RIGHTS PLAN AGREEMENT

##### [Form of Rights Certificate]

Certificate No. \_\_\_\_\_ Rights \_\_\_\_\_

THE RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1.2 OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.

##### **Rights Certificate**

This certifies that \_\_\_\_\_, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of May 14, 2024, as the same may be amended or supplemented from time to time (the "**Shareholder Rights Plan Agreement**"), between PJX Resources Inc., a corporation existing under the laws of the province of Ontario (the "**Corporation**") and Computershare Investor Services Inc., a company incorporated under the laws of Canada (the "**Rights Agent**") (which term shall include any successor Rights Agent under the Shareholder Rights Plan Agreement), to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Shareholder Rights Plan Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Plan Agreement), one fully paid Common Share of the Corporation (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in the city of Toronto. Until adjustment thereof in certain events as provided in the Shareholder Rights Plan Agreement, the Exercise Price shall be: (a) until the Separation Time, an amount equal to three times the Market Price (as such term is defined in the Shareholder Rights Plan Agreement), from time to time, per Common Share; and (b) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.

In certain circumstances described in the Shareholder Rights Plan Agreement, the number of Common Shares which each Right entitles the registered holder thereof to purchase shall be adjusted as provided in the Shareholder Rights Plan Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Plan Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Plan Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Shareholder Rights Plan Agreement are on file at the registered office of the Corporation.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Shareholder Rights Plan Agreement, the Rights evidenced by this Certificate may be redeemed by the Corporation at a redemption price of \$0.000001 per Right, subject to adjustment in certain events.

No fractional Common Shares will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Shareholder Rights Plan Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Plan Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Plan Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Plan Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

**WITNESS** the facsimile signature of the proper officers of the Corporation.

Dated: \_\_\_\_\_

**PIX RESOURCES INC.**

By: \_\_\_\_\_

**COMPUTERSHARE INVESTOR SERVICES INC.**

By: \_  
Authorized Officer

By: \_  
Authorized Officer

**FORM OF ASSIGNMENT**

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint \_\_\_\_\_, as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

\_\_\_\_\_  
Signature must be guaranteed by a Schedule 1 Canadian chartered bank or a financial institution that is a member of a recognized STAMP, MSP or SEMP Program.

**CERTIFICATE**

(To be completed if true.)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_

(To be attached to each Rights Certificate)

**FORM OF ELECTION TO EXERCISE**

(To be exercised by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: \_\_\_\_\_

The undersigned hereby irrevocably elects to exercise \_\_\_\_\_ whole Rights represented by the attached Rights Certificate to purchase the Common Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City and Province)

\_\_\_\_\_  
Social Insurance Number or other taxpayer identification number.

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City and Province)

\_\_\_\_\_  
Social Insurance Number or other taxpayer identification number.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

\_\_\_\_\_  
Signature must be guaranteed by a Schedule 1 Canadian chartered bank or a financial institution that is a member of a recognized STAMP, MSP or SEMP Program.

- 1 -  
**CERTIFICATE**

(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Plan Agreement.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

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(To be attached to each Rights Certificate.)

**NOTICE**

In the event the certification set forth above in the Forms of Assignment and Election to Exercise is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.

**SCHEDULE "B"**  
**PJX RESOURCES INC.**  
**AUDIT COMMITTEE CHARTER**

This charter (the "Charter") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the "Committee") of the directors (the "Board") of PJX Resources Inc. ("PJX").

**1. Purpose**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented by management of PJX; and
- external and internal audit processes.

**2. Composition and Membership**

- (a) The members (collectively "Members" and individually a "Director") of the Committee shall be appointed by the Board to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A member of the Committee may resign at any time and a member of the Committee will cease to be a member of the Committee upon ceasing to be a director of PJX.
- (b) The Committee will consist of at least three members. The majority of Members must be Directors who are independent and all Members must be financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules, regulations and stock exchange requirements (collectively "Applicable Laws"). In this Charter, the terms "independent" and "financially literate" have the meaning ascribed to such terms by Applicable Laws and include the meaning given to similar terms herein by Applicable Laws to the extent such similar latter terms are applicable under Applicable Laws.
- (c) The chairman of the Committee will be appointed by the Board and confirmed by the Committee or appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Board or Committee may determine in their business judgement. The secretary of PJX (the "Secretary") will be the secretary of all meetings and will maintain minutes of all meetings, deliberations and proceedings of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

**3. Meetings**

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Any member of the Committee or the auditor of PJX may call a meeting of the Committee at any time upon not less than forty-eight (48) hours advance notice is given to each member of the Committee orally, by telephone, by facsimile or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- (b) At the request of the external auditors of PJX, the Chief Executive Officer or the Chief Financial Officer of PJX or any member of the Committee, the Chairman will convene a

meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- (c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one of their number to act as Chairman of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- (e) The Committee may invite from time to time such persons as the Committee considers appropriate fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, except to the extent the exclusion of certain persons is required pursuant to this Charter or by Applicable Laws. The Committee will meet in camera at each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of PJX to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

#### **4. Duties and Responsibilities**

The duties and responsibilities of the Committee as they relate to the following matters, to the extent considered appropriate or desirable or required by Applicable Laws, are to:

##### **4.1 Financial Reporting and Disclosure**

- (a) review and recommend to the Board for approval, the audited annual financial statements of PJX, including the auditors' report thereon, the quarterly financial statements of PJX, the management discussion and analysis of PJX, financial reports of PJX, guidance with respect to earnings per share, and any public release of financial information of PJX through press release or otherwise, with such documents to indicated whether such information has been reviewed by the Board or the Committee;
- (b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents;
- (c) review with management of PJX and with external auditors significant accounting principles and disclosure issues and alternative treatments under Canadian generally accepted accounting principles ("GAAP") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly PJX's financial position and the results of its operations in accordance with Canadian GAAP;
- (d) annually review PJX's corporate disclosure policy and recommend any proposed changes to the Board for consideration; and
- (e) review the minutes from each meeting of the disclosure committee of PJX established pursuant to PJX's corporate disclosure policy, since the last meeting of the Committee.

##### **4.2 Internal Controls and Audit**

- (a) review and assess the adequacy and effectiveness of PJX's system of internal control and management information systems through discussions with management and the external

auditor to ensure that PJX maintains: (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect PJX's transactions; (b) effective internal control systems; and (c) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of PJX at any particular time;

- (b) satisfy itself that management has established adequate procedures for the review of PJX's disclosure of financial information extracted or derived directly from PJX's financial statements;
- (c) periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations;
- (d) review and discuss the major financial risk exposures of PJX and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (e) review and assess, and in the Committee's, discretion make recommendations to the Board regarding, the adequacy of PJX's risk management policies and procedures with regard to identification of PJX's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by PJX; and
- (f) review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, the investment policy of PJX;

#### **4.3 External Audit**

- (a) recommend to the Board a firm of external auditors to be engaged by PJX;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) review and approve the compensation of the external auditors, and the scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with PJX's external and internal auditors;
- (g) meet separately with only the auditors, with only management, and with only the Members at every Committee meeting;
- (h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors' team;
- (i) oversee the work of the external auditors appointed by the shareholders of PJX with respect to preparing and issuing an audit report or performing other audit, review or attest services for PJX, including the resolution of issues between management of PJX and the external auditors regarding financial disclosure;
- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of PJX, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between

management and the auditors such as management letters and schedule of unadjusted differences;

- (k) discuss with the external auditors their perception of PJX's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (m) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues. "

#### **4.4 Associated Responsibilities**

- (a) monitor and periodically review the whistleblower policy and associated procedures for:
  - i. the receipt, retention and treatment of complaints received by PJX regarding accounting, internal accounting controls or auditing matters;
  - ii. the confidential, anonymous submission by directors, officers and employees of PJX of concerns regarding questionable accounting or auditing matters; and
  - iii. any violations of any Applicable Laws that relate to corporate reporting and disclosure, or violations of the Code of Business Conduct & Ethics of PJX; and
- (b) review and approve the hiring policies of PJX regarding employees and partners, and former employees and partners, of the present and former external auditor of PJX; Non-Audit Services
- (c) pre-approve all non-audit services to be provided to PJX or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

#### **4.5 Oversight Function**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that PJX's financial statements are complete and accurate or are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are Directors, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of PJX, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of PJX's financial information or public disclosure.

## **5. Reporting**

The Committee shall provide the Board with a summary of all actions taken at each Committee meeting or by written resolution. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee and each written resolution passed by the Committee to the Board. The Committee shall produce and provide the Board with all reports or other information required to be prepared under Applicable Laws.

## **6. Access to Information and Authority**

The Committee will be granted unrestricted access to all information regarding PJX and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at PJX's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

## **7. Review of Charter**

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Original Approval Date: April 11, 2011

Last Revised and Approved: May 14, 2024

Approved by: Board of Directors

on the 14<sup>th</sup> day of May, 2024.