



**Notice of Annual and Special Meeting  
and  
Management Information Circular**

**August 24, 2021**

# ELCORA ADVANCED MATERIALS CORP.

749 Shore Drive  
Bedford Nova Scotia  
B4A 4E5

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the Shareholders of Elcora Advanced Materials Corp. (the “**Corporation**”) will be held at **Suite 10, 275 Rocky Lake Drive, Bedford, Nova Scotia**, on **Tuesday, September 28, 2021** at 10:00 a.m. (Halifax, Nova Scotia time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended on March 31, 2021;
2. fix the number of directors at three (3);
3. elect directors for the ensuing year;
4. appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to reapprove the Company’s 10% rolling incentive stock option plan for the ensuing year;
6. to consider and if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders to approve a new restricted share unit plan (the “**RSU Plan**”) for the Company;
7. to consider and, if deemed appropriate, to pass, with or without variation, a resolution, as more fully described in the management information circular, approving By-law No. 1 of the Corporation substantially in the form attached to the management information circular; and
8. transact such other business as may properly be put before the Meeting.

All Shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders (the “**Shareholders**”) who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Endeavor Trust Corporation (the “**Endeavor**” or the “**Transfer Agent**”). If a Shareholder does not deliver a proxy to Endeavor, Attention: Proxy Department, 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, or by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) by **10:00 a.m.** (Halifax, Nova Scotia time) on **Friday, September 24, 2021** (or prior to 48 hours excluding Saturdays, Sundays and holidays, before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only Shareholders of record at the close of business on **Tuesday, August 24, 2021** will be entitled to vote at the Meeting.

An information circular and a form of proxy accompanying this notice.

**In view of the current and rapidly evolving COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional**

**precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, dial toll free at 1-800-319-7310, Participation Code: 77783, followed by the # key.**

DATED at Halifax, Nova Scotia, the 24<sup>th</sup> day of **August, 2021.**

**ON BEHALF OF THE BOARD**

**Signed:** *"Troy Grant"*

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Troy Grant,

President, Chief Executive Officer

# ELCORA ADVANCED MATERIALS CORP.

749 Shore Drive  
Bedford Nova Scotia  
B4A 4E5

## MANAGEMENT INFORMATION CIRCULAR

(as at August 24, 2021 except as otherwise indicated)

This management information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by Management of Elcora Advanced Materials Corp. (the “**Corporation**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual and special meeting of the Shareholders of the Corporation to be held on **Tuesday, September 28, 2021** (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Corporation will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

### **PART 1 – APPOINTMENT AND REVOCATION OF PROXY**

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The persons named in the Proxy are directors and/or officers of the Corporation. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Endeavor Trust Corporation (the “**Endeavor**” or the “**Transfer Agent**”). If a Shareholder does not deliver a proxy to Endeavor, Attention: Proxy Department, 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, or by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) by **10:00 a.m.** (Halifax, Nova Scotia time) on **Friday, September 24, 2021**, or prior to 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Endeavor, or by transmitting a revocation by telephonic or electronic means, to Endeavor, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

### **Provisions Relating to Voting of Proxies**

**The shares represented by Proxy in the form provided to Shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before**

**the Meeting. At the time of printing of this Circular, the management of the Corporation (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

#### **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.** Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Corporation, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

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

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Corporation or its agent has sent these materials directly to you,

your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Corporation is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Endeavor. Please complete and return the VIF to Endeavor in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Endeavor will tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Corporation's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Corporation does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Corporation or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as the NOBO's proxyholder. If such a request is received, the Corporation or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Corporation or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Halifax, Nova Scotia time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Additionally, NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Corporation or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as the NOBO's proxyholder. If such a request is received, the Corporation or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Corporation or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting.

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered Shareholders of the Corporation as set forth on the list of registered Shareholders of the Corporation as maintained by the registrar and transfer agent of the Corporation, Endeavor, unless specifically stated otherwise.

## **PART 2 – VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

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As at the date of the accompanying Notice of Meeting, the Corporation's authorized capital consists of an unlimited number of common shares of which **90,443,313** common shares are issued and outstanding. All common shares in the authorised share structure of the Corporation carry the right to one vote.

Shareholders registered as at **August 24, 2021** are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, the only persons who, or corporations which, beneficially own, or control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company are:

<b>Name of Shareholder</b>	<b>Number of Shares Owned</b>	<b>Percentage of Outstanding Shares (1)</b>
CDS & Co (3)	<b>77,420,455</b> (2)	<b>85.60%</b>

**Notes:**

- (1) Based on **90,443,313** of the Company's issued and outstanding as of the date of this Information Circular.
- (2) CDS & Co is a share depository, the beneficial ownership of which is unknown to the Company.
- (3) The above information was supplied by the Transfer Agent, as of the record date.

## **PART 3 – BUSINESS OF THE MEETING**

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### **1) Financial Statements**

The audited financial statements of the Corporation for the year ended **March 31, 2021**, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the Shareholders at the Meeting.

### **2) Election of Directors**

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Corporation to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at **three**.

The following table on the next page sets out the names of the nominees for election as directors, the offices they hold within the Corporation, their occupations, the length of time they have served as directors of the Corporation, and the number of securities of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Corporation	Principal occupation during the past five years	Served as director of the Corporation since	Number of common shares of the Corporation beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Number of convertible securities of the Corporation beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
<b>Troy Grant<sup>(2)</sup></b> Nova Scotia, Canada  <i>President,                      Chief Executive Officer, and Director</i>	Businessman	June 2011	3,891,533 Common Shares	1,275,000 Options  Nil Warrants
<b>Johannes (Theo) van der Linde<sup>(2)</sup></b> British Columbia, Canada  <i>Chief Financial Officer and Director</i>	Chartered Accountant	October 2012	1,527,143 Common Shares	Nil Options  Nil Warrants
<b>Denis Choquette<sup>(2)</sup></b> Quebec, Canada  <i>Director</i>	President, GTR Capital	April 2015	778,500 Common Shares	750,000 Options  Nil Warrants

**Notes:**

- (1) The information as to securities beneficially owned or controlled has been provided by the nominees themselves.  
 (2) A member of the Audit Committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or Corporation except the directors and executive officers of the Corporation acting solely in such capacity.

**3) Appointment of Auditor**

At the Meeting, Shareholders will be asked to pass a resolution appointing Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants of Suite 1500 – 1140 West Pender Street, Vancouver, British Columbia, Canada V6E 4G1, as the auditor of the Corporation, to hold office until the next annual meeting of Shareholders and to authorize the Board to fix the remuneration to be paid thereto. Dale Matheson Carr Hilton LaBonte LLP, Chartered Accountants was appointed as the Corporation’s auditor effective March 9, 2018.

The Corporation’s management recommends that the Shareholders vote in favour of the re-appointment of Dale Matheson Carr Hilton LaBonte LLP, Chartered Accountants, as the Corporation’s auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the re-appointment of Dale**

**Matheson Carr Hilton LaBonte LLP, Chartered Accountants, to act as the Corporation’s auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

## **PART 4 – EXECUTIVE COMPENSATION**

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### **General**

For the purpose of this Statement of Executive Compensation:

**“Corporation”** means Elcora Advanced Materials Corp.;

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

**“external management Corporation”** includes a subsidiary, affiliate or associate of the external management Corporation;

**“NEO”** or **“named executive officer”** means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year;

**“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

**“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

### **DIRECTOR AND NEO COMPENSATION**

#### ***Director and NEO compensation, excluding options and compensation securities***

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or its subsidiary, to each NEO and director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic

or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Corporation for services provided and for services to be provided, directly or indirectly, to the Corporation or its subsidiary.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year Ended March 31</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Troy Grant</b> <i>President, CEO &amp; Director</i>	2021 2020	250,000 <sup>(1)</sup> 250,000 <sup>(1)</sup>	Nil Nil	Nil Nil	Nil Nil	Nil Nil	250,000 250,000
<b>Theo van der Linde</b> <i>CFO &amp; Director</i>	2021 2020	150,000 <sup>(2)</sup> 150,000 <sup>(2)</sup>	Nil Nil	Nil Nil	Nil Nil	Nil Nil	150,000 150,000
<b>Denis Choquette</b> <i>Director</i>	2021 2020	Nil <sup>(3)</sup> Nil <sup>(3)</sup>	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

**Notes:**

- (1) Represents consulting fees paid and/or accrued to 3063625 NS Ltd., a company wholly owned by Mr. Grant.
- (2) Represents consulting fees paid and/or accrued to Executive Management Solutions Ltd., a company wholly owned by Mr. van der Linde.
- (3) Represents consulting fees paid and/or accrued to Travis Capital Canada Inc., a company wholly owned by Mr. Choquette.

***External Management Corporation***

Please refer to the section – ***Employment, Consulting and Management Agreements*** which follows herein.

***Stock Options and Other Compensation Securities***

There were no stock options or other compensation securities granted or issued to directors and NEOs by the Company or any subsidiary thereof in the year ended March 31, 2021.

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

There were 750,000 compensation securities exercised by a director or NEO during the financial year ended March 31, 2021.

***Stock Option Plans and Other Incentive Plans***

The Stock Option Plan has been prepared by the Corporation in accordance with the policies of the TSX Venture Exchange ( the “**Exchange**”) and is in the form of a ‘rolling’ stock option plan reserving for issuance upon the exercise of options granted pursuant to the Stock Option Plan a maximum of 10% of the issued and outstanding shares of the Corporation at any time, less any shares required to be reserved with respect to options granted by the

Corporation prior to the implementation of the Stock Option Plan. The Stock Option Plan is administered by the Board of Directors of the Corporation.

The Plan is administered by the Board of Directors and enables the Corporation and provides for grants of options to directors, senior officers, employees, consultants, consultant Corporation or management Corporation employees of the Corporation at the discretion of the Board. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed five (5) years. The exercise price of options granted under the Plan will be determined by the Board of Directors, but the exercise price shall not be less than the discounted market price on the grant date. Any options granted pursuant to the Plan will terminate ninety (90) days (thirty (30) days if the Optionee was engaged in Investor Relations Activities) after the option holder ceasing to act as a directors, senior officers, employees, consultants, consultant Corporation or management Corporation employees of the Corporation or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Corporation's shares. The directors of the Corporation may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchanges or any other regulatory body having authority over the Corporation or the Plan, the Board may from time to time suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or any of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuation shall in any manner adversely affect any option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the Shareholders.

#### ***Employment, consulting and management agreements***

3063625 NS Ltd. (the “**3063625**”) is a private Company wholly-owned by Troy Grant, President and CEO of the Corporation. 3063625 provides consulting services for the Corporation.

The Corporation entered into an employment agreement with Troy Grant effective April 1, 2015, (the “Grant Agreement”) with regards to his employment as the President and Chief Executive Officer of the Corporation. The agreement is for an indefinite term, unless earlier terminated, and is reviewed and approved annually by the Board. Pursuant to the Grant Agreement, the Corporation has agreed to pay Mr. Grant an annual salary of \$250,000 and Mr. Grant is eligible to receive an annual bonus and / or such other monetary incentive programs as may be established by the Corporation from time to time and at the discretion of the Board

Pursuant to the agreement, 3063625 is entitled to three months' notice as well as equivalent of two times 3063625's prorated annual fee as well as vesting of all common stock, options and cash bonus in the event of termination without cause. In the event that 3063625 resigns for “Good Cause” following a “Change of Control” (as those terms are defined in the applicable consulting agreement), they will be entitled to two times the annual pro-rated fee paid as well as vesting of all common stock, options and cash bonuses.

Executive Management Solutions Limited (the “**EMSL**”) is a private Company wholly-owned by Theo van der Linde, Chief Financial Officer of the Corporation. EMSL provides management consulting services for the Corporation.

The Corporation entered into an employment agreement with EMSL and Theo van der Linde effective April 1, 2016 (the “**van der Linde Agreement**”) with regards to his employment as the Chief Financial Officer of the Corporation. The agreement is for an indefinite term, unless earlier terminated, and is reviewed and approved annually by the Board. Pursuant to the van der Linde Agreement, the Corporation has agreed to pay Mr. van der Linde an annual salary of

\$150,000 and Mr. van der Linde is eligible to receive an annual bonus and /or such other monetary incentive programs as may be established by the Corporation from time to time and at the discretion of the Board.

Pursuant to the agreement, EMSL is entitled to three months' notice as well as equivalent of two times EMSL's prorated annual fee as well as vesting of all common stock, options and cash bonus in the event of termination without cause.

In the event that EMSL resigns for "Good Cause" following a "Change of Control" (as those terms are defined in the applicable consulting agreement), EMSL will be entitled to two times the annual pro-rated fee paid as well as vesting of all common stock, options and cash bonuses.

Travis Capital Canada Inc. ("Travis Capital") is a limited liability company which is engaged by the Corporation to provide the services of Denis Choquette, a Director and Chairman of the Company.

The Corporation entered into a management consulting agreement with Travis Capital and Denis Choquette effective April 1, 2017 (the "Choquette Agreement") with regards to Mr. Choquette's appointment as Director and Chairman of the Corporation. The agreement is for an indefinite term, unless earlier terminated, and is reviewed and approved annually by the Board.

Pursuant to the agreement, Travis Capital is entitled to three months' notice as well as an equivalent of two times a deemed prorated annual salary of \$180,000, as well as vesting of all common stock, options and cash bonus in the event of termination without cause.

In the event that Mr. Choquette resigns for "Good Reason" following a "Change of Control" (as those terms are defined in the applicable consulting agreement), Mr. Choquette will be entitled to an amount equivalent of two times a deemed prorated annual salary of \$180,000, as well as vesting of all common stock, options and cash bonuses.

The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executive Officers on termination without cause or on termination on a change of control assuming termination as of March 31, 2021.

Name	Termination Without Cause (other than in connection with a Change of Control)	Resignation for Good Reason Following a Change of Control
Troy Grant President and CEO	\$500,000 <sup>(1)</sup>	\$500,000 <sup>(1)</sup>
Theo van der Linde CFO	\$300,000 <sup>(2)</sup>	\$300,000 <sup>(2)</sup>

**Notes:**

- (1) Represents two year' fees based on Mr. Grant's 2021 annual fees of \$250,000. Figures are rounded.
- (2) Represents two years' fees based on Mr. van der Linde's 2021 annual fees of \$150,000. Figures are rounded.

Except as disclosed above, the Corporation and its subsidiaries have no other compensatory plan, contract or arrangement where a NEO is entitled to receive more than \$50,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO's employment with the Corporation or its subsidiaries, a change of control of the Corporation or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

## **Oversight and description of director and named executive officer compensation**

The Board of Directors (the “**Board**”) compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, a NEO’s compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Corporation to remain competitive compared to its peers in attracting and retaining experienced personnel. All salaries and/or consulting fees are to be set on a basis of a review and comparison of compensation paid to executives at similar companies.

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation program, and the Board does not believe that the Corporation’s compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

The Corporation’s NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

### ***Pension disclosure***

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

## **PART 5 – AUDIT COMMITTEE**

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The Corporation is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation.

### **Audit Committee Charter**

The text of the audit committee’s charter is attached as **Schedule “A”** to this Circular.

### **Composition of Audit Committee and Independence**

The Corporation’s current Audit Committee consists of Troy Grant, Denis Choquette and Theo van der Linde.

National Instrument 52-110 *Audit Committees*, (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation’s Board, reasonably interfere with the exercise of the member’s independent judgment. Of the Corporation’s current audit committee members, Denis Choquette is “independent” within the meaning of NI 52-110. Troy Grant is not considered “independent” as he is the President and CEO of the Corporation. Theo van der Linde is not “independent” as he is the Chief Financial Officer of the Corporation.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally

comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. All of the members of the Corporation's audit committee are financially literate as that term is defined. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

### **Relevant Education and Experience**

The relevant education and/or experience of each member of the Audit Committee is as follows:

#### **Troy Grant**

Mr. Troy Grant is a graduate of St. Francis Xavier University with a Bachelor of Business and has spent most of his working career in the brokerage business. As a result of his business and public Corporation experience Mr. Grant has become familiar with public Corporation financial statements and the accounting principles used in reading and preparing financial statements.

#### **Denis Choquette**

Mr. Denis Choquette has twenty-five years' experience in the high technology, industrial and finance business, including tenures at IBM, AT&T and Bombardier. Before founding GTR Capital, he was as Vice President and General Manager at Bombardier where he formed a very successful high technology finance division. As a founding partner of GTR Capital, Mr. Choquette has provided mergers and acquisitions services to its clients throughout North America, Europe and Asia. Mr. Choquette also has a leading role in strategy & business development at Fayolle Canada Inc. which is one of the fastest growing construction companies in Canada. Mr. Choquette has become very familiar with public Corporation financial statements and the accounting principles used in reading and preparing financial statement during his 25 years' experience in said executive roles.

#### **Theo van der Linde**

Mr. van der Linde is a Chartered Accountant with 20 years extensive finance, administration and public accounting experience in diverse industries including mining, oil & gas, financial services, insurance, manufacturing and retail.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed financial year, the audit committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board of the Corporation.

### **Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

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

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### External Auditors Service Fees

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

The fees paid by the Corporation to its auditors in each of the last two financial years, by category, are as follows:

	Financial Year Ending March 31	Audit Fees <sup>(1)</sup>	Audit-related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
Dale Matheson Carr Hilton LaBonte LLP, Chartered Professional Accountant	2021	\$23,280	\$1,200	\$1,500	Nil
Dale Matheson Carr Hilton LaBonte LLP, Chartered Professional Accountant	2020	\$23,280	\$1,200	\$1,500	Nil

#### Notes:

- (1) “Audit fees” include aggregate fees billed by the Corporation’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Corporation’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

### Exemption in Section 6.1

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## **PART 6 – CORPORATE GOVERNANCE**

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Corporation in adopting its corporate governance practices. The Board and senior management of the Corporation consider good corporate governance to be an integral part of the effective and efficient operation of Canadian

corporations. The Corporation's approach to corporate governance is set out below.

### **Board of Directors**

Management is nominating three individuals to the Corporation's Board, all of whom are current directors of the Corporation.

The Guidelines suggest that the Board of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. The "material relationship" is defined as a relationship which could, in the view of the Corporation's Board, reasonably interfere with the exercise of a director's independent judgement. Denis Choquette is considered "independent" within the meaning of NI 52-110. Troy Grant, who is the President, CEO of the Corporation and Theo van der Linde, who is the CFO of the Corporation, are not considered "independent" of the Corporation. Following the annual general meeting, the Corporation will endeavor to appoint additional independent directors to the Board.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Corporation, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Corporation and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Corporation is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and appoints the chairperson of the Audit Committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of the committee of the Board, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Corporation and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and President, appoints the senior officers of the Corporation and approves the senior Management structure of the Corporation.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Corporation are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Corporation, of any director.

The mandate of the Board, as prescribed by the Canada *Business Corporations Act*, is to manage or supervise management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the management of the Corporation's affairs directly and through its committees.

### **Directorships**

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

<b>Name of Director</b>	<b>Other reporting issuer (or equivalent in a foreign jurisdiction)</b>
Troy Grant	Auxly Cannabis Group Inc. Global Care Capital Inc.

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
	I3 Interactive Inc. Alkaline Fuel Cell Power Corp.
Theo van der Linde	Clarity Gold Corp. Slam Exploration Ltd. Meguma Gold Corp. Red White & Bloom Brands Inc. Powertap Hydrogen Capital Corp.
Denis Choquette	N/A

### Orientation and Continuing Education

The Board's practice is to recruit for the Board only persons with extensive experience in the mining and mining exploration business and in public Corporation matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Corporation's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

### Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Board has adopted a Corporate Conduct and Code of Ethics Policy (the "Code") to be followed by the Corporation's directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Corporation's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflict of interest, protect confidential information and comply with the applicable government laws and securities rules and regulations.

### Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

### Other Board Committees

At the present time, the only standing committee is the Audit Committee. As the Corporation grows, and its operations and management structure became more complex, the Board expects it will constitute more formal standing committees, such as a Corporate Governance Committee, and a Compensation Committee and a Nominating Committee.

### Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of

its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Corporation, given its size and operations. The Corporation's corporate governance practices allow the Corporation to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

## **PART 7 – OTHER INFORMATION**

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### **Corporate Cease Trade Orders or Bankruptcies**

No director or proposed director of the Corporation is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any Corporation, including the Corporation, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the Corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the Corporation being the subject of a cease trade order or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

### **Individual Bankruptcies**

No director or proposed director of the Corporation has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

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

None of the current or former directors, executive officers, employees of the Corporation, the proposed nominees for

election to the Board, or their respective associates or affiliates, are or have been indebted to the Corporation since the beginning of the last completed financial year of the Corporation.

### **Interest of Certain Persons Or Companies in Matters To Be Acted Upon**

No director or executive officer of the Corporation or any proposed nominee of Management of the Corporation for election as a director of the Corporation, 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, since the beginning of the Corporation's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

### **Interest Of Informed Persons In Material Transactions**

None of the persons who were directors or executive officers of the Corporation or a subsidiary at any time during the Corporation's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Corporation, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation.

### **Management Contracts**

The Company entered into a management agreement (the "**Management Contract**") with Partum Advisory Services Corp. ("**Partum**") of Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 dated for reference April 1, 2020, to provide certain corporate, accounting and administrative services to the Company in accordance with the terms of the Management Contract for a monthly fee of \$500 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. The Management Contract is for an initial term of 12 months, to be automatically renewed for further 12 month periods, unless either party gives 90 days' notice of non-renewal, in which case the Management Contract will terminate. The Management Contract can be terminated by either party on 90 days' written notice. It can also be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties. If there is a take-over or change of control of the Company resulting in the termination of the Management Agreement, Partum is entitled to receive an amount equal to six months of fees payable as a lump sum payment due on the day after the termination date.

## **PART 8 – MATTERS TO BE ACTED UPON**

### **Approval of the 2021 Stock Option Incentive Plan**

At the Meeting, shareholders will be asked to consider and, if thought advisable, to pass, by way of an ordinary resolution, approval of the Corporation's 2021 Stock Option Plan (the "**Stock Option Plan**") for directors, officers, employees and consultants of the Corporation and its subsidiaries, a copy of which is attached as Schedule "B" to this Circular. A summary of the material provisions of the Stock Option Plan is set forth below.

### ***Summary of the 2021 Stock Option Incentive Plan***

The Stock Option Plan has been prepared by the Corporation in accordance with the policies of the TSX Venture Exchange ( the "**Exchange**") and is in the form of a 'rolling' stock option plan reserving for issuance upon the exercise of options granted pursuant to the Stock Option Plan a maximum of 10% of the issued and outstanding shares of the Corporation at any time, less any shares required to be reserved with respect to options granted by the Corporation prior to the implementation of the Stock Option Plan. The Stock Option Plan is administered by the

Board of Directors of the Corporation. Subject to the provisions of the Stock Option Plan, the directors in their sole discretion will determine all options to be granted pursuant to the Stock Option Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The directors will comply with all Exchange and other regulatory requirements in granting options and otherwise administering the Stock Option Plan. A summary of some of the additional provisions of the Stock Option Plan are as follows:

- (i) options granted to directors, officers, employees and consultants of the Corporation as a total in any twelve-month period shall not exceed 10% of the issued and outstanding shares of the Corporation;
- (ii) options granted to any one individual Director or Officer as a total in any twelve-month period shall not exceed 5% of the issued and outstanding shares of the Corporation;
- (iii) options granted to any one individual Consultant to the Corporation as a total in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Corporation;
- (iv) options granted to all employees, consultants and their associates engaged in investor relations activities for the Corporation in aggregate in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Corporation;
- (v) options granted shall be non-assignable and not transferable and shall not have a term in excess of ten years;
- (vi) the exercise price of options granted shall not be less than the closing price of the Corporation's shares on the last trading day less any discount permitted by the Exchange, but, in any event, not less than \$0.10 per share;
- (vii) all options granted shall be evidenced by written option agreements; and
- (viii) any amendment to reduce the exercise price of options granted to insiders of the Corporation shall be subject to approval of the disinterested shareholders of the Corporation, the majority vote of the Shareholders other than the insiders of the Corporation.

There were 3,200,000 stock options granted during the year ended March 31, 2021. As at March 31, 2021, there were a total of 4,250,000 stock options outstanding under the Stock Option Plan.

The Shareholders of the Company will be asked to approve the following resolution (the "Stock Option Plan Resolution") at the Meeting:

**"BE IT RESOLVED THAT:**

1. the Corporation's Stock Option Plan, as described in the Circular of the Corporation dated August 24, 2021 be and it is hereby approved and re-confirmed, including the reservation for issuance under the Stock Option Plan at any time of a maximum of 10% of the then issued and outstanding shares of the Corporation, in accordance with the policies of the Canadian Securities Exchange (the "Exchange");
2. the Corporation be and is hereby authorized to make such amendments, if any, to the Stock Option Plan, as may be requested by the Exchange in order that the Stock Option Plan complies with applicable policies of the Exchange; and
3. any one director or officer of the Corporation be and are hereby authorized and directed to make all such filings, cause all such documents, instruments and other writings to be executed and delivered and to cause all such acts and things to be done, all for and on behalf of the Corporation, as the Board may consider necessary or desirable to give effect to the foregoing resolution."

The Corporation's management believes that the approval of the Stock Option Plan is in the best interest of the Corporation and recommends that Shareholders of the Corporation vote in favour of approving the Stock Option

Plan. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the Stock Option Plan Resolution.**

### **Approval of 2021 Restricted Share Unit Plan**

The Board approved a restricted share unit plan (the “**RSU Plan**”) for the Company on August 24, 2021. At the Meeting, shareholders will be asked to consider and, if thought advisable, to pass, by way of an ordinary resolution, approval of the Corporation’s 2021 RSU Plan for directors, officers, key employees and consultants of the Corporation and its subsidiaries, a copy of which is attached as Schedule “C” to this Circular. A summary of the material provisions of the Stock Option Plan is set forth below.

The purpose of the RSU Plan is to attract and retain highly qualified officers, directors, key employees, consultants and other persons, and to motivate such officers, directors, key employees, consultants and other persons to serve the Company and its affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of restricted share units (“**RSUs**”). Any of these awards of the RSUs may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms hereof (as such performance goals are specified in the Award Agreement). The RSU Plan is intended to complement the Company’s stock option plan (the “**Stock Option Plan**”) by allowing the Company to offer a broader range of incentives to diversify and customize the rewards for management and staff to promote long term retention.

The RSU Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, RSUs. The RSU Plan provides for a fixed maximum limit of **9,044,331** of the outstanding Common Shares as permitted by the policies of the TSX Venture Exchange (the “**TSXV**”). At the time a grant (“**Grant Date**”) of RSUs is made, the Board may, in its sole discretion, establish a period of time (a “**Vesting Period**”) applicable to such RSUs. Each Award of RSUs may be subject to a different Vesting period. The Board may, in its sole discretion, at the time a grant of RSUs is made, prescribe restrictions in addition to or other than the expiration of the Vesting Period. Notwithstanding the foregoing, (i) RSUs shall vest in full from a period beginning on the Grant Date to the date which is not later than three (3) years from the Grant Date; (ii) RSUs for which vesting may be accelerated by achieving performance targets shall vest in full from a period beginning on the Grant Date to the date which is not later than three (3) years from the Grant Date; and, (iii) at the election of an Outside Director at the time the Award is granted, RSUs may vest in full from a period beginning on the Grant Date to the date which is not later than three (3) years from the Grant Date, and (b) if no election is made, upon the earlier of a Change of Control in accordance or his or her resignation from the Board.

As of the date of this circular, no RSUs have been issued to employees and consultants of the Company. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is **9,044,331**.

The full text of the RSU Plan is attached hereto as Schedule “C”.

At the Meeting, disinterested Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution ratifying and approving the RSU Plan (the “**RSU Plan Resolution**”), which, to be effective, pursuant to TSXV policies, must be passed by not less than a majority of the votes cast by disinterested Shareholders at the Meeting.

The text of the ordinary resolution approving the RSU Plan is as follows:

“BE IT RESOLVED as an ordinary resolution that:

1. the RSU Plan, substantially in the form attached as Schedule “C” to this information circular be, and is hereby, ratified, affirmed and approved;
2. the form of the RSU Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the shareholders of the Company;
3. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as such director or officer may deem necessary or desirable in connection with the foregoing resolution.”

The Corporation’s management believes that the approval of the Stock Option Plan is in the best interest of the Corporation and recommends that Shareholders of the Corporation vote in favour of approving the Stock Option Plan. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the Restricted Share Unit Plan Resolution.**

#### **Approval of By-law No. 1 of the Corporation**

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution ratifying, adopting and approving By-law No. 1 of the Corporation, in the form attached as Schedule "D" to this Circular, to improve alignment with the CBCA and market standards.

In addition to several clarifying and administrative changes, By-law No. 1 requires advance notice of director nominations by shareholders and amends the quorum requirements at any meeting of shareholders. The "advance notice" requirement in By-law No. 1 fixes a deadline by which shareholders must submit director nominations prior to any meeting of shareholders. To be timely, notice from the nominating shareholder must be delivered to the Corporation: (i) in the case of an annual meeting, not less than 30 days prior to the date of the meeting, provided, however, that if the annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement (the "**Notice Date**") of the date of the annual meeting was made, notice must be received not later than the close of business on the 10th day following the date on which the public announcement of the date of the annual meeting is first made by the Corporation; (ii) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders), advance notice must be delivered to the Corporation not later than the close of business on the 15th day following the day on which the public announcement of the date of the special meeting of shareholders is first made by the Corporation; and (iii) in either case, if the Corporation uses "notice-and-access" (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in respect of a meeting described above in (i) or (ii), and the Notice Date is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting. The adjournment or postponement of a meeting of shareholders or the announcement thereof shall commence a new time period for the giving of a nominating shareholder's notice.

By-law No. 1 further requires any shareholder making a director nomination to provide certain important information about its nominees with its advance notice. By-law No. 1 provides that the Board may, in its sole discretion, waive any advance notice requirement. The Board believes that all shareholders should be provided with sufficient disclosure and time to make appropriate decisions on the election of their board representatives, allowing shareholders to fully participate in the director election process in an informed and effective manner. The advance notice requirement in By-law No. 1 provides a transparent, structured, and fair director nomination process, consistent with the guidelines published by leading proxy advisory firms. No director nominations have been received by the Corporation in respect of the Meeting.

In order for quorum to be met at any meeting of shareholders, it is necessary that two persons entitled to vote at the meeting be present and for not less than 10% of the outstanding shares of the Corporation which may be voted at the meeting to be represented in person or by proxy or by a duly authorized representative of a shareholder.

By-law No. 1 of the Corporation, which replaces in its entirety the existing By-law No. 1 of the Corporation, is attached Schedule "D" to this Circular. By-law No. 1 of the Corporation was approved by the Board on August 23, 2021, subject to and effective upon approval by shareholders of the Corporation at the Meeting. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by shareholders for such resolution.

The complete text of the resolution (the "Amended By-law Resolution"), which management intends to place before the Meeting, ratifying, adopting and approving By-law No. 1 is as follows:

**"BE IT HEREBY RESOLVED** that:

1. the repeal of By-law No. 1 of the Corporation is confirmed;
2. By-law No. 1 of the Corporation, in the form attached as Schedule "D" to the Circular, is hereby ratified, adopted and approved; and
3. any director or officer of the Corporation is hereby authorized to take any and all such other steps or actions as may be reasonably necessary or appropriate to execute and deliver for and in the name of and on behalf of the Corporation, whether under corporate seal or not, all such other certificates, instruments, agreements, documents and notices, and to take such further actions as may be necessary or appropriate in order to give effect to this resolution."

**The Board believes the passing of the foregoing special resolution is in the best interests of the Corporation and recommend that Shareholders vote in favour of such resolution.**

**Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the special resolution to adopt the By-law No. 1.**

### **General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

### **Additional Information**

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Corporation is provided in the Corporation's comparative annual financial statements to March 31, 2021, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the

Corporation may be obtained by any securityholder of the Corporation free of charge by contacting the Corporation, at 749 Shore Drive, Bedford, Nova Scotia, B4A 2E9 or by telephone at (902) 802-8847.

**Board Approval**

The contents of this Circular have been approved and its mailing authorized by the directors of the Corporation.

DATED at Halifax, Nova Scotia, the **24<sup>th</sup>** day of **August, 2021**.

**ON BEHALF OF THE BOARD**

**Signed:** *"Troy Grant"*

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Troy Grant,  
President, Chief Executive Officer

**ELCORA ADVANCED MATERIALS CORP.**

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**Schedule "A"**  
**Audit Committee Charter**

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**(SEE ATTACHED)**

**Charter of the Audit Committee of the Board of Directors  
Elcora Advanced Materials Corp.**

An audit committee (the “**Committee**”) of the board of directors (the “**Board**”) of Elcora Advanced Materials Corp. (the “**Corporation**”) has been established by resolution of the Board. It shall be composed of not less than three directors of the Corporation, all of whom are not officers or employees of the Corporation or any of its affiliates. One member of the Committee shall be appointed by the Board to be the Committee’s chairman, provided that the chairman shall at all times be an independent director. All members of the Committee shall satisfy the independence and qualification requirement under Multilateral Instrument 52-110 Audit Committees and any requirement of any stock exchange on which the shares of the Corporation are listed and posted for trading.

The Committee’s general responsibilities shall be to advise and assist the Board in fulfilling its financial responsibilities for the Corporation by monitoring all of the integrity of the Corporation’s financial statements, financial and accounting practices, internal controls, performance of internal and external auditors, independence and qualification of external auditors, business ethics, and compliance with all laws, regulations and policies that may have an impact on the consolidated financial statements of the Corporation. The Committee shall oversee these areas for the Corporation, all of its controlled subsidiaries and affiliates, and to the extent practicable, for subsidiaries and affiliates, if any, that the Corporation does not control, if any. The Committee shall be directly responsible for the appointment, replacement, compensation and oversight of the external auditor and the external auditor shall report directly to the Committee.

**Concerning the External Auditor**

- A. The Committee’s specific responsibilities concerning the external auditor shall be to:
1. Recommend to the Board each year both the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, and the compensation to be paid to the external auditor;
  2. Review, evaluate and satisfy itself as to the independence, qualifications, and performance of the Corporation’s external auditor including:
    - a) reviewing formal written statements submitted periodically by the external auditor delineating all relationships between themselves and the Corporation;
    - b) discussing with the external auditor any disclosed relationships or services that may impact their objectivity and independence;
    - c) reviewing not less than once per year the external auditor’s quality control procedures including any material issues raised by internal quality control, peer reviews, inquiries or investigations by governmental or professional authorities, and the steps to be taken to address such issues;
    - d) reviewing and evaluating the lead partner of the external auditor; and
    - e) assuring the regular rotation of the lead audit partner as may be considered either necessary or advisable.
  3. Recommend to the Board the results of such evaluation of the external auditor and any action the Committee deems appropriate based on the evaluation, including considering whether, to assure continuing auditor independence, there should be a regular rotation of the audit firm itself;
  4. Review and act upon reports by the external auditor including the external audit, the terms of engagement and compensation of the external auditor, and pre-approve all audit and non-audit

services to be provided by the external auditor. Any such pre-approval may be delegated by the Committee to any member of the Committee;

5. Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
6. Review and approve of the Corporation's hiring policies regarding partners, employees and former partners and employees of the Corporation's present and former external auditors.

**Concerning the Corporation's Financial Matters:**

B. The Committee's specific responsibilities concerning the Corporation's Financial Matters shall be to:

1. Monitor and review from time to time, but not less than once annually, the Corporation's:

- a) internal financial controls and internal audit functions;
- b) appointment and/or replacement of the chief financial officer, the senior internal auditor and any key executives involved in the Corporation's financial reporting process;
- c) policies on risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- d) compliance with securities laws, regulations and policies concerning the Corporation's financial statements, audits and public disclosure;
- e) compliance with tax laws, regulations and policies concerning the Corporation;
- f) expense reimbursements paid to the Chairman of the Board, the Chief executive Officer, the chief Financial Officer and such other directors or senior officers as the committee may deem appropriate and;
- g) charter for the Committee and perform an annual evaluation of the Committee's performance

all in consultation with the Corporation's senior internal auditor, the external auditor and such other advisors and the Committee may select.

2. Hold regularly scheduled meetings with management, the senior internal auditor, and the external auditor and keep minutes of all such meetings;

3. Review and discuss with management and the external auditor:

- a) the Corporation's audited financial statements, interim financial statements and "Management Discussion and Analysis" before approval by the Board or public disclosure;
- b) reports from the Corporation's internal auditor and management's response;
- c) the types of information to be disclosed and the types of presentation to be made in connection with the Corporation's earnings press releases and financial information and guidance provided to analysts and rating agencies (if any); and
- d) any proposed related party transactions involving the Corporation before approval by the Board or public disclosure.

4. Discuss with management and the external auditor any significant financial reporting, accounting and audit issues and judgments (including reports or analysis rendered by management or the external auditor in connection with the Corporation's financial statements) pertinent to the preparation of the Corporation's financial statements (including the quality of the Corporation's accounting principles, any audit problems or difficulties, any significant changes in the Corporation's selection or application of accounting principles, any off-balance sheet structures, and special audit steps adopted or taken in light of material control deficiencies, any major disputes between management and the external auditor);
5. Establish procedures for:
  - a) reviewing all of the Corporation's public disclosure of audited or unaudited financial information extracted or derived from the Corporation's financial statements;
  - b) receipt, retention or treatment of complaints received by the corporation regarding accounting, internal accounting controls or auditing matters, and
  - c) confidential, anonymous submission by any of the Corporation's employees of concerns regarding
  - d) questionable accounting or auditing matters;
  - e) and to periodically re-assess those procedures;

#### **Advising the Board**

- C. The Committee's specific responsibilities concerning advising the Board shall be to:
  1. Review and consider:
    - a) Major changes and questions of choice respecting appropriate accounting principles and auditing standards to be used in preparing and presenting the Corporation's financial statements; and
    - b) Legal, accounting and regulatory matters (including initiatives) that may have a material impact on the Corporation's reporting obligations, financial statements, conflicts of interest and general business ethics;
  2. Review reports from the Corporation's internal or external auditors and legal counsel (either that represent or have represented the Corporation) about any credible evidence of material violations of securities laws or material breach of duty by the Corporation, any member of the Board or any officer, employee or agent of the Corporation; and
  3. Serve as a channel of communication between the external auditor and the Board and between the senior internal auditor and the board, and report regularly to the Board on the Committee's deliberations and actions taken, and any issues that arise concerning the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, performance and independence of the external auditor, or performance of the internal auditor; and

The Committee has the irrevocable authority to obtain advice and assistance from outside legal, accounting or other such advisors and the Committee deems necessary, appropriate or advisable in its sole discretion, without notice to or approval from the Board. The Corporation shall provide adequate funding to the Committee, as determined by the Committee, for payment of compensation to any external auditor, compensation to any advisor, and ordinary administrative expenses that are necessary or appropriate for carrying out its duties.

The Committee shall fix its own time and place of meetings and shall prescribe its own rules and directors of the Corporation who are not members of the Committee shall attend meetings of the Committee only upon the written invitation of the Chair of the Committee.

**Confirmation**

This Charter of the Audit Committee of the Board of Directors made by resolution of the Board of Elcora Advanced Materials Corp. as at the 24<sup>th</sup> day of August, 2021.

On Behalf of the Board of Directors

Signed: *"Troy Grant"*

Troy Grant, Director

On Behalf of the Audit Committee

Signed: *"Denis Choquette"*

Denis Choquette  
Director

**ELCORA ADVANCED MATERIALS CORP.**

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**Schedule "B"**  
**2021 STOCK OPTION PLAN**

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**(SEE ATTACHED)**

# ELCORA RESOURCES CORP.

## STOCK OPTION PLAN

### ARTICLE I

#### PURPOSE OF PLAN

- 1.1 **Purpose.** The purpose of this incentive stock option plan ("Plan") of ELCORA RESOURCES CORP. ("Corporation") is to advance the interests of the Corporation and its Affiliates by encouraging the Directors, Officers, Employees, Consultants and Management Company Employees to acquire Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation, rewarding significant performance achievements and furnishing them with additional incentive in their efforts on behalf of the Corporation and its Affiliates in the conduct of their affairs.

### ARTICLE II

#### DEFINED TERMS

2. **Definitions.** Where used herein, the following terms shall have the following meanings, respectively:
- 2.1 "Affiliate" means an affiliate entity to the Corporation as determined under the *Securities Act* (Nova Scotia) as amended from time to time.
- 2.2 "Black-Out Period" means a time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option.
- 2.3 "Black-Out Expiration Term" means the period of time that commences with the end of a Black-Out Period and ends ten business days following the end of the Black-Out Period.
- 2.4 "Board" means the board of directors of the Corporation or, if established and duly authorized to act in respect of the Plan, a committee of the board of directors of the Corporation.
- 2.5 "Business Day" means any day, other than a Saturday or a Sunday, on which the TSXV is open for trading.
- 2.6 "Common Shares" means the common shares without par value of the Corporation as currently constituted.
- 2.7 "Consultant" means an individual or Consultant Company, other than an Employee, a Director or an Officer that:
- (i) is engaged to provide on an on-going bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate, other than services provided in relation to a distribution of securities;
  - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;

- (iii) in the reasonable opinion of the Corporation, spends or will spend, a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and
- (iv) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation.

2.8 "Consultant Company" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

2.9 "Corporation" means ELCORA RESOURCES CORP. and includes all Affiliates, and any successor corporation thereto.

2.10 "CPC" shall have the meaning attributed thereto in Section 1.1 of The TSX Venture Exchange Policy 2.4 – "Capital Pool Companies", as amended from time to time.

2.11 "Director" means a director of the Corporation or its Affiliates.

2.12 "Discounted Market Price" means the Market Price less a discount, which shall not exceed the amount set forth below; provided, however, the Discounted Market Price shall not be less than \$0.10:

Market Price	Discount
up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

2.13 "Disinterested Shareholder Approval" means disinterested shareholder approval as defined in the policies in the Exchange.

2.14 "Eligible Person" means any Director, Officer, Employee, Consultant or Management Company Employee, or any other person or entity engaged to provide on-going services to the Corporation or any Affiliate, determined by the Board as eligible for participation in the Plan.

2.15 "Employee" means:

- (a) an individual who is considered an employee of the Corporation or any of its subsidiaries under the *Income Tax Act* (Canada);
- (b) an individual who works full-time for the Corporation or any of its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Corporation or any of its subsidiaries on a continuing and regular basis for the minimum amount of time per week specified by the Board, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

2.16 "Exchange" means the TSXV or, if the Shares are not then listed and posted for trading on the TSXV, on such stock exchange in Canada on which such Shares are listed and posted for trading as may be selected for such purpose by the Board.

2.17 "Fixed Term" means the period of time during which the Options must be exercised, pursuant to the terms of the Plan.

- 2.18 "Initial Public Offering" or "IPO" shall have the meaning attributed thereto in Section 1.2 of The TSX Venture Exchange Policy 1.1 – "Interpretation", as amended from time to time.
- 2.19 "Investor Relations Activities" shall have the meaning attributed thereto in Section 1.2 of The TSX Venture Exchange Policy 1.1 – "Interpretation", as amended from time to time.
- 2.20 "Insider" means:
- (a) a director or senior officer of the Corporation;
  - (b) a director or senior officer of a company that is an Insider or an Affiliate of the Corporation;
  - (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or
  - (d) the Corporation itself if it holds any of its own securities.
- 2.21 "Management Company Employee" means an individual employed by a person providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relations Activities.
- 2.22 "Market Price" means, at any date in respect of Shares, the closing price of such Shares on the Exchange on the last Business Day preceding the date on which the Option is approved by the Board. In the event that such Shares did not trade on such Business Day, the Market Price shall be the average of the bid and ask prices in respect of such Shares at the close of trading on such date. In the event that such Shares are not listed and posted for trading on any stock exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the Board, in good faith.
- 2.23 "Officer" means a senior officer of the Corporation or its Affiliates.
- 2.24 "Option" means an option to purchase Shares granted under the Plan.
- 2.25 "Option Price" means the price per share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article VIII hereof.
- 2.26 "Optionee" means an Eligible Person to whom an Option has been granted under the terms of the Plan.
- 2.27 "Plan" means this incentive stock option plan.
- 2.28 "Qualifying Transaction" shall have the meaning attributed thereto in Section 1.1 of The TSX Venture Exchange Policy 2.4 – "Capital Pool Companies", as amended from time to time.
- 2.29 "Securities Law" shall have the meaning attributed thereto in Section 1.2 of The TSX Venture Exchange Policy 1.1 – "Interpretation", as amended from time to time.
- 2.30 "Shares" means the Common Shares, or, in the event of an adjustment contemplated by Article VIII hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment.
- 2.31 "Target Company" shall have the meaning attributed thereto in Section 1.1 of The TSX Venture Exchange Policy 2.4 – "Capital Pool Companies", as amended from time to time.
- 2.32 "TSXV" means the TSX Venture Exchange.
- 2.33 "Vendors" shall have the meaning attributed thereto in Section 1.1 of The TSX Venture Exchange Policy 2.4 – "Capital Pool Companies", as amended from time to time.

## ARTICLE III

### ADMINISTRATION OF THE PLAN

- 3.1 **General.** This Plan shall be administered by the Board which shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan, to:
- (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
  - (b) interpret and construe the Plan and determine all questions arising out of the Plan and any Option granted pursuant to the Plan, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
  - (c) determine to which Eligible Persons Options are granted and to grant Options;
  - (d) determine the number of Shares covered by each Option;
  - (e) determine the Option Prices;
  - (f) determine the time or times when Options will be granted and exercisable;
  - (g) determine if the Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
  - (h) prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

The power described in this section shall be exercised in accordance with applicable securities laws and the rules and policies of the Exchange.

- 3.2 **Stock Option Agreement.** Each Optionee shall execute a stock option agreement, the terms of which shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of any option agreement and this Plan, the terms of this Plan shall govern.

## ARTICLE IV

### SHARES SUBJECT TO PLAN

- 4.1 **10% Rolling Plan.** Subject to adjustment as provided in Article VIII, the Shares to be offered under the Plan shall consist of the Corporation's authorized but unissued Shares. The aggregate number of Shares to be delivered upon the exercise of all Options granted under the Plan shall not exceed the greater of ten percent (10%) of the issued and outstanding Shares of the Corporation at the time of granting of options (on a non-diluted basis) or such other number as may be approved by the Exchange and the shareholders of the Corporation from time to time. Notwithstanding this, so long as the Corporation is a CPC, the total number of Shares to be delivered upon the exercise of all options granted under the Plan shall not exceed ten percent (10%) of the Shares of the Corporation outstanding as at the closing of the Corporation's IPO.
- 4.2 **Options to Insiders.** The aggregate number of Shares to be delivered upon the exercise of all Options granted to Insiders under the Plan shall not exceed ten percent (10%) of the issued and outstanding Shares of the Corporation at the time of granting of options (on a non-diluted basis).

- 4.3 **Options That Expire or Terminate.** If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purpose of the Plan.

## ARTICLE V

### ELIGIBILITY, GRANT AND TERMS OF OPTIONS

- 5.1 **Eligible Persons.** Options may only be granted to Eligible Persons. While the Corporation is a CPC an Option may only be granted to a director or officer of the CPC and where permitted by Securities Laws, a technical consultant whose particular industry expertise in relation to the business of the Vendors or the Target Company is required to evaluate the proposed Qualifying Transaction, or a company, all of whose securities are owned by such a director, officer or technical consultant.
- 5.2 **Option Exercise Term.** Options shall be for a Fixed Term and exercisable from time to time as determined in the discretion of the Board at the time of grant, provided that, subject to Section 5.3, no Option shall have a term exceeding ten (10) years (or such shorter or longer period as is permitted by the Exchange).
- 5.3 **Black-Out Period.** Except where not permitted by the Exchange, where a Fixed Term for an Option expires during a Black-Out Period or during the Black-Out Expiration Term, the term of such Option shall be extended to the end of the applicable Black-Out Expiration Term.
- 5.4 **Terms of Options.** Subject to this Article, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board; provided, however, if no specific determination is made by the Board with respect to any of the following matters, each Option shall, subject to any other specific provisions of the Plan, contain the following terms and conditions:
- (a) the Fixed Term shall be ten (10) years from the date the Option is granted to the Optionee;
  - (b) subject to section 5.5, the Option Price shall be the Discounted Market Price; and
  - (c) the Option shall be exercisable in whole or in part at any time after the date of grant.
- 5.5 **Restriction on Option Price.** The Option Price shall in no circumstances be lower than the greater of: (i) the Discounted Market Price at the date of the grant of the Option, and (ii) the price permitted by the Exchange.
- 5.6 **Legend.** Options issued under this Plan and any Shares issued on the exercise of such Options shall bear such restrictive legend as may be required by applicable securities legislation and the Exchange.
- 5.7 **Restrictions on Option Grants.** The total number of Shares to be optioned to Optionees under this Plan shall be subject to the following restrictions:
- (a) no more than five percent (5%) of the issued and outstanding Shares of the Corporation may be granted to any one individual in any twelve (12) month period (unless the Corporation is a Tier 1 Issuer, as defined in the policies of the TSXV, and has obtained Disinterested Shareholder Approval). Notwithstanding this, while the Corporation is a CPC, no more than five percent (5%) of the issued and outstanding Shares of the Corporation at the closing of the Corporation's IPO may be granted to any one individual in a twelve (12) month period;
  - (b) no more than two percent (2%) of the issued and outstanding Shares of the Corporation may be granted to any one Consultant in any twelve (12) month period. Notwithstanding this, while as the

Corporation is a CPC, no more than two percent (2%) of the issued and outstanding Shares of the Corporation at the closing of the Corporation's IPO may be granted to any one Consultant in a twelve (12) month period;

- (c) no more than an aggregate of ten percent (10%) of the issued and outstanding Shares of the Corporation may be granted to Insiders of the Corporation in any twelve (12) month period; and
  - (d) no more than an aggregate of two percent (2%) of the issued and outstanding Shares of the Corporation may be granted to persons employed to conduct Investor Relations Activities in any twelve (12) month period, and such options, if issued to a Consultant must vest in stages over a period of no less than twelve (12) months with no more than twenty-five (25%) of the Options vesting in any three (3) month period. While the Corporation is a CPC Options shall not be granted to any person providing Investor Relations Activities to the Corporation.
- 5.8 **Non-Assignable.** An Option is personal to the Optionee and is non-assignable and non-transferable. Where an option is granted to a Corporation wholly owned by an Optionee, the corporate entity must agree, at the time of the grant, not to effect or permit any transfer of ownership of Options or shares of such corporation, nor issue any additional shares to any individual or entity for so long as Options remain outstanding to the credit of that Corporation, except with the prior written consent of the Exchange.
- 5.9 **Representation by Optionee.** For Options granted to Employees, Consultants or Management Company Employees, the Corporation must give a representation to the Exchange (and the Optionee must give a representation to the Corporation as a condition of any grant of Options) that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
- 5.10 **Non-Residents of Canada.** No non-resident of Canada may participate in the Plan unless such participation can be accomplished pursuant to or in accordance with and without violating any securities or other legislation of the jurisdiction of residence of such person, and the Corporation may require, as a condition of the grant of Options, that the potential Optionee provide a written acknowledgement that the grant of the Options does not violate any such laws.

## ARTICLE VI

### CEASING TO BE AN ELIGIBLE PARTICIPANT

- 6.1 **General.** Subject to Sections 6.2, 6.3 and 6.4 or any express resolution passed by the Board or the terms of any option agreement with the Optionee, if an Optionee ceases to be an Eligible Person for any reason except death, such Optionee may exercise his Options to the extent that the Optionee was entitled to exercise them at the date of such cessation, provided that such exercise must occur within twelve (12) months after the individual ceased to be an Eligible Person.
- 6.2 **Clarification.** Notwithstanding Section 6.1, if an Optionee who ceased to be an Eligible Person again becomes an Eligible Person before the expiration of the applicable period referred to in Section 6.1, any of the Optionee's unexercised Options shall continue to be exercisable under the same terms and conditions as though the Optionee had never ceased to be an Eligible Person.
- 6.3 **Death of an Optionee.** Notwithstanding Section 6.1, in the event of the death of an Optionee, his unexercised Options shall be exercisable within twelve (12) months after the death of the Optionee and then only:
- (a) by the heirs of the deceased or by legal personal representative(s) of the estate of the deceased Optionee; and
  - (b) if and to the extent that the Optionee was entitled to exercise such Options at the date of his death.

## ARTICLE VII

### EXERCISE OF OPTIONS

- 7.1 **General.** Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the President of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full in cash of the Option Price for the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.
- 7.2 **Restrictions on Exercise.** Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such stock exchange or regulatory authority or governmental authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
  - (b) the admission of such Shares to listing on the Exchange; and
  - (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain necessary shareholder, regulatory or Exchange approval, then the obligation of the Corporation to issue such Shares shall terminate and any Option Price paid to the Corporation by the Optionee shall be returned to the Optionee.

## ARTICLE VIII

### TAX WITHHOLDING

- 8.1 If the Corporation is required under the Income Tax Act (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall:
- (c) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance; or
  - (d) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or
  - (e) make other arrangements acceptable to the Corporation to fund the required tax remittance.

## ARTICLE IX

### CERTAIN ADJUSTMENTS

9.1 **Offer for Shares.** If a bona fide offer ("Offer") for Shares is made to the Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Corporation within the meaning of subsection 1(3) of the *Securities Act* (Ontario) (as amended from time to time), then the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee currently holding an Option of the Offer, with full particulars thereof, whereupon, notwithstanding the terms of the Option, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "Optioned Shares") pursuant to the Offer. If:

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

then the Optioned Shares or, in the case of paragraph (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and the terms of the Option applicable prior to the Offer shall again apply to the Option. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund the exercise price to the Optionee for such Optioned Shares. In no event shall the Optionee be entitled to sell the Optioned Shares otherwise than pursuant to the Offer.

9.2 **Amalgamation or Merger.** If the Corporation amalgamates or merges with or into another company, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation or merger if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation or merger, and the Option Price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

9.3 **Changes in Shares.** If there is any change in the Shares through the declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Option Price shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

9.4 **No Fractional Shares.** The Corporation shall not be obligated to issue fractional shares in satisfaction of any of its obligations hereunder.

## ARTICLE X

### AMENDMENTS TO PLAN

10.1 **Amendment Procedure.** Where permissible, the Corporation retains the right to amend or terminate the terms and conditions of the Plan by resolution of the Board (**the "Amendment Procedure"**). **If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange.** Any amendments to the Plan shall take effect with respect to all outstanding Options on the date of, and all Options granted after, the effective date of such amendment, provided that in the event any amendment materially and adversely affects any outstanding Options, it may apply to such outstanding Options only with the mutual consent of the Corporation and the Optionees to whom such Options have been granted. Without limiting the generality of the foregoing, the Board may, unless prevented by the Exchange, use the Amendment Procedure without seeking shareholder approval when:

- (a) altering, extending or accelerating the terms and conditions of vesting of any Options;
- (b) extending the term of Options held by a person other than a person who, at the time of the extension, is an Insider of the Corporation, provided that the term does not extend beyond ten (10) years from the date of grant;
- (c) accelerating the expiry date of Options;
- (d) determining adjustments pursuant to Article IX hereof;
- (e) amending the definitions contained within the Plan, including but not limited to the definition of "Eligible Person" under the Plan;
- (f) amending or modifying the mechanics of exercise of Options as set forth in Article VII, provided however, payment in full of the Option Price for the Shares shall not be so amended or modified;
- (g) effecting amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan;
- (h) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);
- (i) effecting amendments respecting the administration of the Plan;
- (j) effecting amendments necessary to suspend or terminate the Plan; and
- (k) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations, and policies of the Exchange).

10.2 **Shareholder Approval.** Shareholder approval will be required for the following types of amendments:

- (a) amendments that increase the number of Shares issuable under the Plan, except such increase by operation of Section 4.1 and in the event of an adjustment contemplated by Article VIII;
- (b) amendments to the Plan that could result at any time in the number of Shares reserved for issuance under the Plan exceeding 10% of the issued Shares; and
- (c) amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

In the event of any conflict between Sections 10.1 and 10.2, the latter shall prevail to the extent of the conflict.

10.3 **Disinterested Shareholder Approval.** Disinterested Shareholder Approval will be required for the following types of amendments:

- (a) amendments to the Plan that could result at any time in the number of Shares reserved for issuance under the Plan to Insiders exceeding 10% of the issued Shares;
- (b) amendments to the Plan that could result at any time in the granting to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued Shares;

- (c) any reduction in the Option Price of an Option if the Optionee is an Insider at the time of the proposed amendment; and
- (d) amendments requiring Disinterested Shareholder Approval under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

## **ARTICLE XI**

### **ANNUAL APPROVAL OF INCENTIVE STOCK OPTION PLAN**

- 11.1 **Annual Approval.** The Plan is a 10% rolling plan and must be approved by the shareholders of the Corporation as required by TSXV rules.

## **ARTICLE XII**

### **GENERAL**

- 12.1 **No Rights as Shareholder.** The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the Corporation shall issue such Shares to the Optionee in accordance with the terms of the Plan in those circumstances.
- 12.2 **No Rights Conferred.** Nothing contained in this Plan or any Option shall confer upon any Optionee any right with respect to continuance as a Director, Officer, Employee, Consultant or Management Company Employee of the Corporation or any Affiliate.
- 12.3 **Gender.** Reference herein to any gender includes all genders.
- 12.4 **No Representation.** The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.
- 12.5 **Governing Law.** This Plan shall be governed by and construed in accordance with the laws of Nova Scotia.
- 12.6 **Severance.** If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or this Plan than such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

## **ARTICLE XIII**

### **SHAREHOLDER AND REGULATORY APPROVAL**

- 13.1 This Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation, and to acceptance by the Exchange and any other relevant regulatory authority. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given, and no such Options may be exercised unless and until such approval and acceptance is given.

**ELCORA ADVANCED MATERIALS CORP.**

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**Schedule "C"**  
**2021 RESTRICTED SHARE UNIT PLAN**

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**(SEE ATTACHED)**

**RESTRICTED SHARE UNIT INCENTIVE PLAN**

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**ELCORA ADVANCED MATERIALS CORP.**

**RESTRICTED SHARE UNIT INCENTIVE PLAN**

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**August 24, 2021**

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**ELCORA ADVANCED MATERIALS CORP.**

**RESTRICTED SHARE UNIT INCENTIVE PLAN**

Elcora Advanced Materials Corp., a corporation incorporated under the *Business Corporations Act* (Canada) (the “**Company**”), sets forth herein the terms of its Restricted Share Unit Incentive Plan (the “**Plan**”), as follows:

**1. PURPOSE**

The Plan is intended to enhance the Company’s and its Affiliates’ (as defined herein) ability to attract and retain highly qualified officers, directors, key employees, consultants and other persons, and to motivate such officers, directors, key employees, consultants and other persons to serve the Company and its Affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of restricted share units. Any of these awards of restricted share units may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms hereof (as such performance goals are specified in the Award Agreement).

**2. DEFINITIONS**

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

**2.1** “**Affiliate**” means, with respect to the Company, any person or company if it is a Subsidiary entity of the other or if both are Subsidiary entities of the same person or company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*.

**2.2** “**Award**” means a grant of Restricted Share Units under the Plan.

**2.3** “**Award Agreement**” means the written agreement between the Company and a Grantee that evidences and sets out the terms and conditions of an Award.

**2.4** “**Board**” means the Board of Directors of the Company.

**2.5** “**Cause**” means, as determined by the Board and unless otherwise provided in an applicable agreement with the Company or an Affiliate, (i) gross negligence or willful misconduct in connection with the performance of duties; (ii) conviction of a criminal offense; or (iii) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Service Provider and the Company or an Affiliate.

**2.6** “**Change of Control**” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Company under any of the Company’s equity incentive plans;

- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Company's assets to a Person other than a Person that was an Affiliate of the Company at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than 50% of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exchange, license or other disposition;
- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (v) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

**2.7** "**Class A Shares**" means the common shares in the capital of the Company;

**2.8** "**Committee**" means the Compensation committee of the Board, and designated from time to time by resolution of, the Board, which shall be constituted as provided in Section 3.2.

**2.9** "**Company**" means Elcora Advanced Materials Corp.

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

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;
- (b) provides the services under a written contract between the Company or the Affiliate and the individual or the company, as the case may be;
  - (i) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - (ii) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

**2.11** "**Director**" means a director, senior officer or Management Company Employee of the Company.

**2.12** “**Disinterested Shareholder Approval**” means the approval of a majority of shareholders of the Company voting at a duly called and held meeting of such shareholders, excluding votes of insiders of the Company to whom the Restricted Share Units may be granted under the Plan.

**2.13** “**Effective Date**” means August 24, 2021, the date the Plan is approved by the Board.

**2.14** “**Employee**” means:

- (a) an individual who is considered an employee of the Company or its Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
- (b) an individual who works full-time for the Company or its Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Company or its Subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

**2.15** “**Fair Market Value**” means the value of a Share, determined as follows: if on the Grant Date or other determination date the Shares are listed on the TSX Venture Exchange or another established national or regional stock exchange or is publicly traded on an established securities market, the Fair Market Value of the Company’s Shares shall be the closing price of the Shares on such exchange or in such market (if there is more than one such exchange or market the Board shall determine the appropriate exchange or market) on the Grant Date or such other determination date (or if there is no such reported closing price, the Fair Market Value shall be the mean between the highest bid and lowest asked prices or between the high and low sale prices on such trading day) or, if no sale of Shares is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the Shares are not listed on such an exchange, quoted on such system or traded on such a market, Fair Market Value shall be the value of a Share as determined by the Board in good faith.

**2.16** “**GAAP**” means, at any time, accounting principles generally accepted in Canada applying IFRS, including those set out in the Handbook of the Chartered Professional Accountants of Canada, at the relevant time applied on a consistent basis.

**2.17** “**Grant Date**” means, as determined by the Board, the latest to occur of (i) the date as of which the Board approves an Award, (ii) the date on which the recipient of an Award first becomes eligible to receive an Award under Section 6 hereof, or (iii) such other date as may be specified by the Board.

**2.18** “**Grantee**” means a person who receives or holds an Award under the Plan.

**2.19** “**IFRS**” means International Financial Reporting Standards adopted by the International Accounting Standards Board from time to time.

**2.20** “**Management Company Employee**” means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities.

**2.21** “**Outside Director**” means a member of the Board who is not an officer or employee of the Company.

**2.22** “**Plan**” means this Elcora Advanced Materials Corp. Restricted Share Unit Incentive Plan.

**2.23** “**Restricted Share Unit**” or “**RSU**” means a bookkeeping entry representing the right to receive one Share, subject to the restrictions and vesting provisions provided herein, and awarded to a Grantee pursuant to Section 8 hereof.

**2.24** “**Securities Act**” means the *Securities Act* (Ontario), as now in effect or as hereafter amended.

**2.25** “**Service**” means service of a Service Provider to the Company or an Affiliate. Unless otherwise stated in the applicable Award Agreement, a Grantee’s change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or an Affiliate. Subject to the preceding sentence, whether a termination of Service shall have occurred for purposes of the Plan shall be determined by the Board, which determination shall be final, binding and conclusive.

**2.26** “**Service Provider**” means an Employee, Director, or Consultant of the Company or its Subsidiary.

**2.27** “**Shares**” means the Class A Shares in the capital of the Company.

**2.28** “**Subsidiary**” means any “subsidiary entity” of the Company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*.

### **3. ADMINISTRATION OF THE PLAN**

#### **3.1 Board**

The Board shall have such powers and authorities related to the administration of the Plan as are consistent with the Company’s articles and applicable law. The Board shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award or any Award Agreement, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Board deems to be necessary or appropriate to the administration of the Plan, any Award or any Award Agreement. All such actions and determinations shall be by the affirmative vote of a majority of the members of the Board present at a meeting or by unanimous consent of the Board executed in writing in accordance with the Company’s articles and applicable law. The interpretation and construction by the Board of any provision of the Plan, any Award or any Award Agreement shall be final, binding and conclusive.

#### **3.2 Committee**

The Board from time to time may delegate to the Committee such powers and authorities related to the administration and implementation of the Plan, as set forth in Section 3.1 above and other applicable provisions, as the Board shall determine, other than the Board’s power and authority to grant awards or to issue Shares to Grantees upon the vesting of an Award, consistent with the articles of the Company and applicable law.

(i) Except as provided in Subsection (ii) and except as the Board may otherwise determine, the Committee, if any, appointed by the Board to administer the Plan shall consist of two or more Outside Directors of the Company who meet such requirements as may be established from time to time by the securities regulatory authorities for such incentive plans and who comply with the independence requirements of applicable securities regulatory policies.

(ii) The Board may also appoint one or more separate committees of the Board, each composed of one or more directors of the Company who need not be Outside Directors, who may administer the Plan and may determine all terms of such Awards.

Notwithstanding the foregoing, the Board may not delegate its authority to grant Awards or to issue Shares

to Grantees upon the vesting of an Award.

In the event that the Plan, any Award or any Award Agreement entered into hereunder provides for any action to be taken by or determination to be made by the Board, such action may be taken or such determination may be made by the Committee if the power and authority to do so has been delegated to the Committee by the Board as provided for in this Section. Unless otherwise expressly determined by the Board, any such action or determination by the Committee shall be final, binding and conclusive. To the extent permitted by law, the Committee may delegate its authority under the Plan to a member of the Board.

### **3.3 Terms of Awards**

Subject to the other terms and conditions of the Plan, the Board shall have full and final authority to:

- (i) designate Grantees;
- (ii) determine the number of Shares to be subject to an Award;
- (iii) establish the terms and conditions of each Award (including, but not limited to, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting or forfeiture of an Award and any other terms or conditions);
- (iv) prescribe the form of each Award Agreement evidencing an Award;
- (iv) establish performance criteria; and
- (v) amend, modify, or supplement the terms of any outstanding Award. Such authority specifically includes the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside Canada to recognize differences in local law, tax policy, or custom.

As a condition to any subsequent Award, the Board shall have the right, at its discretion, to require Grantees to return to the Company Awards previously made under the Plan. Subject to the terms and conditions of the Plan, any such new Award shall be upon such terms and conditions as are specified by the Board at the time the new Award is made. The Board shall have the right, in its discretion, to make Awards in substitution or exchange for any other award under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate. The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee on account of actions taken by the Grantee in violation or breach of or in conflict with any employment agreement, non-competition agreement, any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate thereof or any confidentiality obligation with respect to the Company or any Affiliate thereof or otherwise in competition with the Company or any Affiliate thereof, to the extent specified in such Award Agreement applicable to the Grantee. Furthermore, the Company may, within 30 days, annul an Award if the Grantee is an employee of the Company or an Affiliate thereof and is terminated for Cause. The grant of any Award shall be contingent upon the Grantee executing the appropriate Award Agreement.

### **3.4 No Liability**

No member of the Board or of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award or Award Agreement.

### **3.5 Book Entry**

Notwithstanding any other provision of this Plan to the contrary, the Company may elect to satisfy any requirement under this Plan for the delivery of share certificates through the use of book-entry.

## **4. SHARES SUBJECT TO THE PLAN**

The Shares issued or to be issued under the Plan shall be authorized but unissued shares. Subject to adjustment as provided in Section 11 hereof, the maximum number of Shares available for issuance under the Plan shall be 9,000,000. The number of Shares issued or to be issued under the Plan and all other security based compensation arrangements, at any time, shall not exceed 20% of the total number of the issued and outstanding Shares. If any Shares covered by an Award are forfeited, or if an Award terminates without delivery of any Shares subject thereto, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award shall, to the extent of any such forfeiture or termination, again be available for making Awards under the Plan. The Board shall have the right to substitute or assume Awards in connection with mergers, reorganizations, separations, or other transactions. The number of Shares reserved pursuant to this Section 4 may be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of Shares subject to Awards before and after the substitution.

Notwithstanding the foregoing:

- (i) the number of securities issuable to insiders of the Company under all security-based compensation arrangements, including the Plan, at any time, cannot exceed 10% of the issued and outstanding Shares;
- (ii) the number of securities issued to insiders of the Company pursuant to such arrangements, within any one-year period, cannot exceed 10% of the issued and outstanding Shares;
- (iii) the number of Shares issuable to any one Service Provider or other individual pursuant to an Award within any one-year period, cannot exceed 1% of the issued and outstanding Shares;
- (iv) the aggregate number of Shares issuable to all Service Providers pursuant to Awards within any one-year period, cannot exceed 2% of the issued and outstanding Shares; and
- (v) the annual grant of Awards under this Plan to any one Non-Employee Director shall not exceed \$150,000 in value excluding any one time sign on awards or equity granted in lieu of cash retainers.

## **5. EFFECTIVE DATE, DURATION AND AMENDMENTS**

### **5.1 Effective Date**

The Plan shall be effective as of the Effective Date, subject to Disinterested Shareholder Approval within one year of the Effective Date. Upon approval of the Plan by the shareholders of the Company as set forth above, all Awards made under the Plan on or after the Effective Date shall be fully effective as if the shareholders of the Company had approved the Plan on the Effective Date. If the shareholders fail to approve the Plan within one year after the Effective Date, any Awards made hereunder shall be null and void and of no effect.

### **5.2 Term**

The Plan shall terminate automatically ten (10) years after the Effective Date and may be terminated on any earlier date or extended as provided in Section 5.3.

### **5.3 Amendment and Termination of the Plan**

- i. The Board may suspend or terminate the Plan at any time, or from time to time amend or revise the terms of the Plan or any granted Award without the consent of the Participants provided that such suspension, termination, amendment or revision shall:

- (a) not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) be in compliance with applicable law and with the prior approval, if required, of the shareholders of the Company, the TSXV, or any other regulatory body having authority over the Company; and
  - (c) be subject to shareholder approval, where required by law or the requirements of the TSXV provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Company make the following amendments to this Plan:
    - (i) any amendment to the vesting provision, if applicable, or assignability provisions of the Awards;
    - (ii) any amendment regarding the effect of termination of a Participant's employment or engagement;
    - (iii) any amendment which accelerates the date on which any RSU may vest under the Plan;
    - (iv) any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body;
    - (v) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
    - (vi) any amendment regarding the administration of the Plan;
    - (vii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback which is adopted; and
    - (viii) any other amendment that does not require the approval of the shareholders of the Company under Section 5.3(ii).
- ii. Notwithstanding Section 5.3(iii), the Board shall be required to obtain shareholder approval to make the following amendments:
- (a) any increase to the maximum number of Shares issuable under the Plan, except in the event of an adjustment pursuant to Article 11
  - (b) any amendment which extends the Restriction Period of any RSU beyond the original expiry date or Restriction Period [to the extent such amendment benefits a Grantee];
  - (c) any amendment which increases the maximum number of Shares that may be (i) issuable to Grantees at any time; or (ii) issued to Grantees under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 11; and
  - (d) any amendment to the amendment provisions of the Plan;

provided that Shares held directly or indirectly by Grantees benefiting from the amendments shall be excluded when obtaining such shareholder approval.

## **6. AWARD ELIGIBILITY AND LIMITATIONS**

### **6.1 Service Providers**

Subject to this Section 6, Awards may be made under the Plan to any Service Provider, as the Board shall determine and designate from time to time. The Company and the Grantee of Restricted Share Units are responsible for ensuring and confirming that the Grantee of Restricted Share Units is a bona fide Service Provider.

### **6.2 Investor Relations Activities**

Persons providing investor relations activities to the Company shall not be eligible to receive any Restricted Share Units under the Plan.

### **6.3 Successive Awards**

An eligible person may receive more than one Award, subject to such restrictions as are provided herein.

## **7. AWARD AGREEMENT**

Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Board shall from time to time determine. Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan.

## **8. TERMS AND CONDITIONS OF RESTRICTED SHARE UNITS**

### **8.1 Grant of Restricted Share Units**

Awards shall be in the form of Restricted Share Units. Subject to the restrictions and vesting provisions provided in Section 8.2, each RSU shall entitle the Grantee to receive one Share.

### **8.2 Restrictions and Vesting**

At the time a grant of Restricted Share Units is made, the Board may, in its sole discretion, establish a period of time (a “**Vesting Period**”) applicable to such Restricted Share Units. Each Award of Restricted Share Units may be subject to a different Vesting Period. The Board may, in its sole discretion, at the time a grant of Restricted Share Units is made, prescribe restrictions in addition to or other than the expiration of the Vesting Period, including the satisfaction of corporate or individual performance objectives, which may be applicable to all or any portion of the Restricted Share Units in accordance with Section 9.1. Notwithstanding the foregoing, (i) Restricted Share Units shall vest in full from a period beginning on the Grant Date to the date which is not later than three (3) years from the Grant Date; (ii) Restricted Share Units for which vesting may be accelerated by achieving performance targets shall vest in full from a period beginning on the Grant Date to the date which is not later than three (3) years from the Grant Date; and, (iii) at the election of an Outside Director at the time the Award is granted, Restricted Share Units may vest in full from a period beginning on the Grant Date to the date which is not later than three (3) years from the Grant Date, and (b) if no election is made, upon the earlier of a Change of Control in accordance with Section 11.2 or his or her resignation from the Board.

Restricted Share Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of (other than to the Grantee’s beneficiary or estate, as the case may be, upon the death of the Grantee) during the Vesting Period.

Upon the death of a Grantee, any RSUs granted to such Grantee which, prior to the Grantee's death, have not vested, will immediately vest and the Grantee's estate shall be entitled to receive payment in accordance with Section 8.6 hereof.

### **8.3 Restricted Share Unit Accounts**

An account will be maintained by the Secretary of the Company, or such other officer of the Company as the Board may designate, in the name and for the benefit of the Grantee, in which will be recorded the number of RSUs granted to the Grantee, the Grant Date and expiry date of the RSUs.

### **8.4 Rights of Holders of Restricted Share Units**

#### **(a) Voting and Dividend Rights**

Grantees of Restricted Share Units shall have no rights as shareholders of the Company. The Board may provide in an Award Agreement evidencing a grant of Restricted Share Units that the Grantee shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding Shares, a cash payment for each Restricted Share Unit granted equal to the per-share dividend paid on the outstanding Shares. Such Award Agreement may also provide that such cash payment will be deemed reinvested in additional Restricted Share Units at a price per unit equal to the Fair Market Value of the Shares on the date that such dividend is paid.

#### **(b) Creditor's Rights**

A Grantee shall have no rights other than those of a general creditor of the Company. Restricted Share Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

### **8.5 Termination of Service**

Unless the Board otherwise provides in an Award Agreement or in writing after the Award Agreement is issued, subject to prior TSX Venture Exchange approval, upon the termination of a Grantee's Service, any Restricted Share Units granted to a Grantee that have not vested and will not vest within 30 days from the date of termination, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of Restricted Share Units, the Grantee shall have no further rights with respect to such Award, including but not limited to any right to receive dividends with respect to the Restricted Share Units.

### **8.6 Cash Payment or Delivery of Shares**

Upon the expiration or termination of the Vesting Period and the satisfaction of any other restrictions prescribed by the Board, the Restricted Share Units shall vest and shall be settled in either cash or Shares, as the Committee may so determine, unless otherwise provided in the Award Agreement.

A cash payment shall be in the amount equal to the "Market Price" per share as defined in the policies of the applicable stock exchange as the trading day prior to the date of vesting, and certified funds shall be paid for the Restricted Share Units valued at the Market Price. A Share payment shall be for Shares issued by the Company from treasury and a share certificate for that number of Shares equal to the number of vested RSUs shall be free of all restrictions. The cash payment or Shares shall be delivered to the Grantee or the Grantee's beneficiary or estate, as the case may be.

The Committee shall specify the circumstances in which Awards shall be made or forfeited in the event of termination of Service by the Grantee prior to vesting.

### **8.7 Exchange Hold Period**

If the Award is granted to a director, officer, promoter or other insider of the Company, then the Award

will bear an Exchange Hold Period (as defined in TSX Venture Exchange Policies), and the following legend will be inserted onto the first page of the Award Agreement:

*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the Shares represented by this agreement when vested and issued thereunder may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ♦, 20♦, [i.e., four months and one day after the date of Award grant].*

## **9. TERMS AND CONDITIONS OF AWARDS**

### **9.1 Performance Conditions**

The granting and vesting of RSUs may be subject to such performance conditions as may be specified by the Board in the Award Agreement. The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to performance conditions.

### **9.2 Performance Goals Generally**

The performance goals for Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this Section 9.1. Performance goals shall be objective and shall otherwise meet the requirements that the level or levels of performance targeted by the Committee result in the achievement of performance goals being “substantially uncertain”. The Committee may determine that Awards shall vest upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to the vesting of an Award. Performance goals may differ for Awards granted to any one Grantee or to different Grantees.

### **9.3 Business Criteria**

The Board, in its sole discretion, may establish business criteria for the purpose of establishing performance goals in accordance with Section 9.1, including but not limited to, one or more of the following business criteria for the Company, on a consolidated basis, and/or specified Subsidiaries or business units of the Company (except with respect to the total shareholder return and earnings per share criteria): (1) total shareholder return; (2) such total shareholder return as compared to total return (on a comparable basis) to a peer group of similar publicly available companies or of a publicly available index such as, but not limited to, the S&P/TSX Composite Index; (3) past service to the Company; (4) net income; (5) pre-tax earnings; (6) earnings before interest expense, taxes, depreciation and amortization; (7) pre-tax operating earnings after interest expense and before bonuses, service fees, and extraordinary or special items; (8) operating margin; (9) earnings per share; (10) return on equity; (11) return on capital; (12) return on investment; (13) operating earnings; (14) working capital; (15) ratio of debt to shareholders’ equity; (16) revenue; and (17) free cash flow and free cash flow per share (18) project completion milestones. Business criteria may be measured on an absolute basis or on a relative basis (i.e., performance relative to peer companies) and on a GAAP or non-GAAP basis.

### **9.4 Timing For Establishing Performance Goals**

Performance goals shall be established not later than 90 days after the beginning of any performance period applicable to such Awards, or at such other date as may be determined by the Board.

### **9.5 Written Determinations**

All determinations by the Committee as to the establishment of performance goals, the amount of any Award and as to the achievement of performance goals relating to Awards, and the amount of any final Awards, shall be made in writing.

## **10. REQUIREMENTS OF LAW**

### **10.1 General**

The Plan shall comply with the provisions of any applicable law or regulation of any governmental authority, including without limitation any federal, state or provincial securities laws or regulations and the requirements of any stock exchange having jurisdiction. The failure to comply with such laws or regulations, including without limitation the *Securities Act*, may result in a termination of the Plan and/or the forfeiture of previously granted RSUs.

## **11. EFFECT OF CHANGES IN CAPITALIZATION**

### **11.1 Changes in Shares**

If the number of outstanding Shares is increased or decreased or the Shares are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares for which Awards may be made under the Plan shall be adjusted proportionately and accordingly by the Company. In addition, the number and kind of shares for which Awards are outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the Grantee immediately following such event shall, to the extent practicable, be the same as immediately before such event. Notwithstanding the foregoing, in the event of any distribution to the Company's shareholders of securities of any other entity or other assets (including an extraordinary cash dividend but excluding a non-extraordinary dividend payable in cash or in shares of the Company) without receipt of consideration by the Company, the Company may, in such manner as the Company deems appropriate, adjust the number and kind of shares subject to outstanding Awards.

### **11.2 Change of Control**

If the Company completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Grantee who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, then all unvested Awards shall immediately vest and be settled.

### **11.3 Adjustments**

Adjustments under Section 11.1 relating to Shares or securities of the Company shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole Share. The Board may provide in the Award Agreement at the time of grant, or any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those described in Sections 11.1 and 11.3.

### **11.4 No Limitations on Company**

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

## **12. GENERAL PROVISIONS**

### **12.1 Disclaimer of Rights**

No provision in the Plan or in any Award or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or service of the Company or any Affiliate, or to interfere in any way with any contractual or other right or authority of the Company either to increase or decrease the compensation or other payments to any individual at any time, or to terminate any employment or other relationship between any individual and the Company. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, no Award granted under the Plan shall be affected by any change of duties or position of the Grantee, so long as such Grantee continues to be a director, officer, consultant or employee of the Company or an Affiliate. The obligation of the Company to issue Shares or pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation only in respect of those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any Grantee or beneficiary under the terms of the Plan.

## **12.2 Nonexclusivity of the Plan**

Neither the adoption of the Plan nor the submission of the Plan to the shareholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable.

## **12.3 Withholding Taxes**

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, provincial, state, or local taxes of any kind required by law to be withheld with respect to the vesting of an Award or upon the issuance of any Shares upon the vesting of an Award. At the time of such vesting, lapse, or exercise, the Grantee shall pay to the Company or the Affiliate, as the case may be, any amount that the Company or the Affiliate may reasonably determine to be necessary to satisfy such withholding obligation.

## **12.4 Captions**

The use of captions in this Plan or any Award Agreement is for the convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

## **12.5 Other Provisions**

Each Award granted under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Board, in its sole discretion.

## **12.6 Number and Gender**

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

## **12.7 Severability**

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

## **12.8 Governing Law**

The validity and construction of this Plan and the instruments evidencing the Award hereunder shall be governed by the laws of Canada, other than any conflicts or choice of law rule or principle that might

otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

**12.9 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

**12.10 Conflict**

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

**12.11 Time of Essence**

Time is of the essence of this Plan and of each Award Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

Approved by the Board of Directors on August 23, 2021.

**ELCORA ADVANCED MATERIALS CORP.**

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**Schedule "D"**  
**BY-LAW NO. 1**

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**(SEE ATTACHED)**

**ELCORA ADVANCED MATERIALS CORP.**

**BY-LAW NO. 1**

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## BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of ELCORA ADVANCED MATERIALS CORP. (the "**Corporation**") is made as follows:

### ARTICLE 1 GENERAL

#### **1.1 Definitions**

In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "**Act**" means the *Canada Business Corporations Act* and the regulations made thereunder, as from time to time amended, and in the case of such amendment any reference in the by-laws shall be read as referring to the amended provisions thereof;
- (b) "**Board**" means the board of directors of the Corporation; and
- (c) "**by-laws**" means this by-law and all other by-laws of the Corporation from time to time in force and effect.

All terms used in the by-laws that are defined in the Act and are not otherwise defined in the by-laws shall have the meanings given to such terms in the Act. Words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders. The headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

#### **1.2 Registered Office**

The Corporation shall at all times have a registered office in the province in Canada specified in its articles. The directors of the Corporation may change the place and address of the registered office within the province specified in its articles.

#### **1.3 Seal**

The directors may by resolution from time to time adopt and change a corporate seal of the Corporation.

### ARTICLE 2 DIRECTORS

#### **2.1 Number**

The number of directors shall be the number fixed by the articles, or where the articles specify a variable number, the number shall be not less than the minimum and not more than the maximum number so specified and shall be determined from time to time within such limits by the Board. At least 25% of the directors of the Corporation, or such other number of directors (if any) as may be prescribed by the Act from time to time, shall be resident Canadians. If the Corporation has less than four directors, at least one director shall be a resident Canadian.

#### **2.2 Vacancies**

Subject to Section 111 of the Act, a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum or maximum number of directors or from a failure to elect the number or minimum number of directors provided for in the articles. If there is not a quorum of directors, or if there

has been a failure to elect the number or minimum number of directors provided for in the articles, the directors then in office shall without delay call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

### **2.3 Powers**

The directors shall manage or supervise the management of the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not expressly directed or required to be done in some other manner by the Act, the articles, the by-laws, any special resolution of the shareholders of the Corporation, a unanimous shareholder agreement or by statute.

### **2.4 Duties**

Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties to the Corporation shall:

- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **2.5 Qualification**

The following persons are disqualified from being a director of the Corporation:

- (a) anyone who is less than 18 years of age;
- (b) anyone who is of unsound mind and has been so found by a court in Canada or elsewhere;
- (c) a person who is not an individual; and
- (d) a person who has the status of bankrupt.

A director of the Corporation is not required to hold shares issued by the Corporation.

### **2.6 First Directors**

Each director named as a first director of the Corporation will hold office from the date of issue of the certificate of incorporation until the first annual meeting of shareholders following such director's election or appointment or until a successor to such director has been elected or appointed.

### **2.7 Election/Term of Office**

Subject to Section 106 and 107 of the Act, the shareholders of the Corporation shall, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, elect directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his or her election but, if qualified, is eligible for re-election. Notwithstanding the foregoing, if directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected.

If a meeting of shareholders fails to elect the number or the minimum number of directors required by the articles or by the Act by reason of the disqualification, incapacity or death of one or more candidates, the directors elected at that

meeting, if they constitute a quorum, may exercise all the powers of the directors, pending the holding of a meeting of shareholders in accordance with the Act.

## **2.8 Consent to Election**

A person who is elected or appointed as a director is not a director unless such person was present at the meeting when the person was elected or appointed and did not refuse to act as a director, or if the person was not present at the meeting when the person was elected or appointed, the person consented to act as a director in writing before the person's election or appointment or within 10 days after it or the person has acted as a director pursuant to the election or appointment.

## **2.9 Removal**

Subject to Section 107 of the Act, the shareholders of the Corporation may by ordinary resolution at a special meeting remove any director from office before the expiration of his or her term of office and may elect any person in his or her stead for the remainder of the director's term. Notwithstanding the foregoing sentence, where the holders of any class or series of shares of the Corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

## **2.10 Vacation of Office**

A director of the Corporation ceases to hold office when:

- (a) the director dies or resigns;
- (b) the director is removed from office; or
- (c) the director ceases to be qualified pursuant to Section 2.5 hereof.

A resignation of a director becomes effective at the time a written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later.

## **2.11 Validity of Acts**

An act of a director or officer is valid notwithstanding an irregularity in the director's or officer's election or appointment or a defect in the director's or officer's qualification.

# **ARTICLE 3**

## **ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS**

### **3.1 Nomination of Directors**

Only persons who are nominated in accordance with the provisions of this Article 3 shall be eligible for election as directors of the Corporation. Nominations of persons for election as directors of the Corporation at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may only be made:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal submitted to the Corporation in accordance with the Act or a requisition of meeting submitted to the directors in accordance with the Act; or
- (c) by any person (a "**nominating shareholder**");

- (i) who, at the close of business on the date of the giving of the notice provided for below and on the record date for determining shareholders entitled to vote at such meeting, is a registered holder or beneficial owner of shares that are entitled to be voted at such meeting; and
- (ii) complies with the notice and other procedures set forth in this Article 3.

### 3.2 Timely Notice

In addition to any other requirements in this Article 3 and under applicable laws, for a nomination to be made by a nominating shareholder, the nominating shareholder must have given timely notice thereof in proper written form to the Secretary at the principal executive office of the Corporation in accordance with this by-law. To be timely, the Secretary must receive the nominating shareholder's notice at the principal executive offices of the Corporation:

- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if an annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement (the "**Notice Date**") of the date of the annual meeting was made, notice must be received not later than the close of business on the 10<sup>th</sup> day following the date on which the public announcement of the date of the annual meeting is first made by the Corporation;
- (b) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders), not later than the close of business on the 15<sup>th</sup> day following the day on which the public announcement of the date of the special meeting of shareholders is first made by the Corporation; and
- (c) provided that, in either case, if the Corporation uses "notice-and-access" (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in respect of a meeting described above in subsection 3.2(a) or subsection 3.2(b), and the Notice Date is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the date of the applicable meeting.

The adjournment or postponement of a meeting of shareholders or the announcement thereof shall commence a new time period for the giving of a nominating shareholder's notice as described above.

### 3.3 Proper Written Form

To be in proper written form, a nominating shareholder's notice to the Secretary must set forth:

- (a) as to each person whom the nominating shareholder proposes to nominate for election as a director:
  - (i) the name, age, business address and residential address of the nominee,
  - (ii) the principal occupation or employment of the nominee,
  - (iii) whether the nominee is a resident Canadian within the meaning of the Act,
  - (iv) the class or series and number of shares of the Corporation which are controlled or which are owned beneficially or of record by the nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice,
  - (v) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the nominee or any

of its affiliates and the nominating shareholder, any person acting jointly or in concert with the nominating shareholder or any of their respective affiliates, and

- (vi) any other information relating to the nominee that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and
- (b) as to the nominating shareholder giving the notice,
- (i) the name and record address of the nominating shareholder,
  - (ii) the class or series and number of shares of the Corporation which are controlled or which are owned beneficially or of record by the nominating shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice,
  - (iii) any derivatives or other economic or voting interests in the Corporation and any hedges implemented with respect to the nominating shareholders' interests in the Corporation,
  - (iv) any proxy, contract, arrangement, understanding or relationship pursuant to which the nominating shareholder has a right to vote any shares of the Corporation,
  - (v) whether the nominating shareholder intends to deliver a proxy circular and form of proxy to any shareholders of the Corporation in connection with the election of directors, and
  - (vi) any other information relating to the nominating shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.

Such notice must be accompanied by the written consent of each nominee to being named as a nominee and to serve as a director, if elected. Reference to "nominating shareholder" in this Section 3.3 shall be deemed to refer to each shareholder that nominates a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal. All information provided in a nominating shareholder's notice will be made publicly available to shareholders of the Corporation.

### **3.4 Further Information**

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

### **3.5 Determination of Eligibility**

The chair of the meeting of shareholders at which an election for directors is held shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

### **3.6 Discussion Permitted**

Nothing in this Article 3 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter it is entitled to discuss pursuant to the Act.

### **3.7 Meaning of Public Announcement**

For purposes of this Article 3, "public announcement" shall mean disclosure in a press release reported by a national news service in Canada or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

### **3.8 Notice**

Notwithstanding any other provision of the by-laws of the Corporation, notice given to the Secretary pursuant to this Article 3 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

### **3.9 Waiver**

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Article 3.

## **ARTICLE 4 MEETINGS OF DIRECTORS**

### **4.1 Regular and Ad Hoc Meetings**

Unless the articles otherwise provide, meetings of directors and of any committee of directors may be held at any place. A meeting of directors may be convened by the Chair of the Board (if any) or any director at any time, and the Secretary (if any) or any other officer or any director shall, as soon as reasonably practicable following receipt of a direction from any of the foregoing, send a notice of the applicable meeting to the directors. A quorum of the directors may, at any time, call a meeting of the directors for the transaction of any business the general nature of which is specified in the notice calling the meeting.

### **4.2 Notice**

Notice of the time and place for the holding of any meeting of directors or of any committee of directors shall be sent to each director, or each director who is a member of such committee, as the case may be, not less than 48 hours before the time of the meeting; provided that a meeting of directors, or of any committee of directors, may be held at any time without notice if all the directors or members of such committee are present (except where a director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors waive notice of the meeting.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the Board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

### **4.3 Waiver of Notice**

Notice of any meeting of directors or of any committee of directors or the time for the giving of any such notice or any irregularity in any meeting or in the notice thereof may be waived by any director in writing or by facsimile or electronic mail addressed to the Corporation or in any other manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at any meeting of directors or of any

committee of directors is a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### **4.4 Omission of Notice**

The accidental omission to give notice of any meeting of directors or of any committee of directors or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

#### **4.5 Electronic, Telephone Participation Etc.**

If all the directors of the Corporation consent, a director may participate in a meeting of directors or of any committee of directors by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A director's consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board or a committee thereof held while the director holds office. A director participating in such a meeting by such means is deemed for the purposes of the Act and the by-laws to be present at that meeting.

#### **4.6 Adjournment**

Any meeting of directors or of any committee of directors may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed time and place. Notice of an adjourned meeting of directors or committee of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at the adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

#### **4.7 Quorum and Voting**

A majority of the number of directors then in office constitutes a quorum at any meeting of directors. Notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors. Subject to Section 111 of the Act and subsections 114(3) and (4) of the Act, directors shall not transact business at a meeting of directors unless a quorum is present and at least 25% of the directors present are resident Canadians. Questions arising at any meeting of directors shall be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting in addition to his or her original vote shall not have a second or casting vote.

#### **4.8 Resolution in Lieu of Meeting**

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors. A resolution in writing dealing with all matters required by the Act or the by-laws to be dealt with at a meeting of directors, and signed by all the directors entitled to vote at that meeting, satisfies all the requirements of the Act and the by-laws relating to meetings of directors.

## **ARTICLE 5** **COMMITTEES OF DIRECTORS**

#### **5.1 General**

The directors may from time to time appoint from their number a managing director, or a resident Canadian, or one or more committees of directors, and may delegate to such managing director or such committee any of the powers of the directors, except that (unless the Act otherwise permits) no managing director or committee shall have the authority to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- (c) issue securities except as authorized by the directors;
- (d) issue shares of a series under Section 27 of the Act except as authorized by the directors;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (g) pay a commission referred to in Section 41 of the Act except as authorized by the directors;
- (h) approve a management proxy circular;
- (i) approve a take-over bid circular or directors' circular;
- (j) approve any financial statements referred to in Section 155 of the Act; or
- (k) adopt, amend or repeal by-laws of the Corporation; or
- (l) exercise any other power which under the Act a managing director or committee of directors has no authority to exercise.

Notwithstanding the foregoing, the directors may, by resolution, delegate to a director, a committee of directors, or an officer the power to:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

## **5.2 Audit Committee**

Unless authorized by the Director appointed pursuant to Section 260 of the Act to dispense with an audit committee, if the Corporation becomes a "distributing corporation" (as defined in the Act), any of the issued securities of which remain outstanding and are held by more than one person, the directors shall appoint from among their number an audit committee to be composed of not fewer than three directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates. At any time when the Corporation is not a "distributing corporation", any of the issued securities of which remain outstanding and are held by more than one person, the directors may (but shall not be required to) appoint from among their number an audit committee to be composed of not fewer than three directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates.

Each member of the audit committee shall serve at the pleasure of the Board and, in any event, only so long as such member shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee, if appointed, shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any requirements imposed by the Board from time to time and to the following paragraph.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat, and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the audit committee.

The audit committee, if appointed, shall review the financial statements of the Corporation referred to in Section 155 of the Act prior to approval thereof by the Board and shall have such other powers and duties as may from time to time by resolution be assigned to it by the Board.

## **ARTICLE 6** **OFFICERS**

### **6.1 Appointment of Officers**

The directors annually or as often as may be required may appoint from among themselves a Chair of the Board (either on a full-time or part-time basis) and may appoint a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and one or more assistants to any of the officers so appointed. None of such officers except the Chair of the Board needs to be a director of the Corporation although a director may be appointed to any office of the Corporation. Two or more offices of the Corporation may be held by the same person. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors. The directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer, employee or agent.

### **6.2 Removal of Officers and Vacation of Office**

All officers, employees and agents shall be subject to removal by resolution of the directors at any time, with or without cause.

An officer of the Corporation ceases to hold office when such officer dies, resigns or is removed from office. A resignation of an officer becomes effective at the time a written resignation is sent to the Corporation, or at the time specified in the resignation, whichever is later.

### **6.3 Chair of the Board**

The Chair of the Board (if any) shall, if present, preside as chair at all meetings of the Board and at all meetings of the shareholders of the Corporation. The Chair of the Board shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors.

### **6.4 President**

The President (if any) shall, unless otherwise determined by resolution of the Board, be the chief executive officer of the Corporation and shall, subject to the direction of the Board, exercise general supervision and control over the business and affairs of the Corporation. In the absence of the Chair of the Board (if any), and if the President is also a director of the Corporation, the President shall, when present, preside as chair at all meetings of directors and the shareholders of the Corporation. The President shall have such powers and shall perform such duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.

## **6.5 Vice-President**

The Vice-President (if any) or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as chair at any meeting of directors or shareholders. The Vice-President or, if more than one, the Vice-Presidents shall have such powers and shall perform such duties as may from time to time be assigned to him, her or them by resolution of the directors or as are incident to the office of the applicable Vice-President.

## **6.6 Secretary**

Unless another officer has been appointed for that purpose, the Secretary (if any) shall give or cause to be given notices for all meetings of directors, any committee of directors and shareholders when directed to do so and shall, subject to the provisions of the Act, maintain the records of the Corporation including as required under the Act. The Secretary shall have such powers and shall perform such duties as may from time to time be assigned to the Secretary by resolution of the directors or as are incident to the office of the Secretary.

## **6.7 Treasurer**

Subject to the provisions of any resolution of the directors, the Treasurer (if any) or such other officer who has been appointed for that purpose shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the directors may by resolution direct; provided that the Treasurer may from time to time arrange for the temporary deposit of monies of the Corporation in banks, trust companies or other financial institutions within or outside Canada not so directed by the Board for the purpose of facilitating transfer thereof to the credit of the Corporation in a bank, trust company or other financial institution so directed. Unless another officer has been appointed for that purpose, the Treasurer shall prepare and maintain adequate accounting records. The Treasurer shall have such powers and shall perform such duties as may from time to time be assigned to such person by resolution of the directors or as are incident to the office of the Treasurer. The Treasurer may be required to give such bond for the faithful performance of his or her duties as the directors in their sole discretion may require and no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

## **6.8 Assistant Secretary and Assistant Treasurer**

The Assistant Secretary (if any) or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer (if any) or, if more than one, the Assistant Treasurers in order of seniority, shall assist the Secretary and Treasurer, respectively, in the performance of his or her duties and shall be vested with all the powers and shall perform all the duties of the Secretary and Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or Treasurer as the case may be. The Assistant Secretary or, if more than one, the Assistant Secretaries and the Assistant Treasurer or, if more than one, the Assistant Treasurers shall have such powers and shall perform such duties as may from time to time be assigned to him, her or them by resolution of the directors.

## **6.9 Managing Director**

The Managing Director (if any) shall conform to all lawful orders given to him or her by the directors and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation.

## **6.10 Duties of Officers may be Delegated**

In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

## **6.11 Agents and Attorneys**

The Corporation shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

## **ARTICLE 7** **SHAREHOLDERS' MEETINGS**

### **7.1 Annual Meeting**

The annual meeting of shareholders shall be held at a place within Canada (or outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place) determined by the directors on such day in each year and at such time as the directors may determine.

### **7.2 Special Meetings**

The directors of the Corporation may at any time call a special meeting of shareholders to be held on such day and at such time and at such place within Canada (or outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place) as the directors may determine.

### **7.3 Meeting on Requisition of Shareholders**

The holders of not less than 5% of the issued shares of the Corporation that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition. The requisition shall state the business to be transacted at the meeting and shall be sent to each director and to the registered office of the Corporation. Subject to subsection 143(3) of the Act, upon receipt of the requisition, the directors shall call a meeting of shareholders to transact the business stated in the requisition (but if the directors are obligated to call a meeting and do not do so within 21 days after receiving the requisition, any shareholder who signed the requisition may call the meeting).

### **7.4 Participation in Meetings by Electronic Means**

Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility and a person participating in a meeting by those means is deemed for the purposes of the Act and the by-laws to be present at the meeting.

### **7.5 Meetings held by Electronic Means**

If the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

### **7.6 Notice**

A notice in writing of a meeting of shareholders stating the day, hour and place of meeting and if special business is to be transacted thereat, stating (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment on that business and (ii) the text of any special resolution to be submitted to the meeting, shall be sent:

- (a) to each shareholder entitled to vote at the meeting, who on the record date for notice is registered on the records of the Corporation or its transfer agent as a shareholder;
- (b) to each director of the Corporation; and
- (c) to the auditor of the Corporation,

in each case not less than 21 days and not more than 60 days before the date of the meeting.

#### **7.7 Waiver of Notice**

Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any meeting or in the notice thereof may be waived by any shareholder, the duly appointed proxy of any shareholder, any director or the auditor of the Corporation in writing or any other manner and a shareholder or any other person entitled to attend at a meeting of shareholders may waive notice of such meeting of shareholders, and his or her attendance at a meeting of shareholders is a waiver of notice of the meeting except where he or she attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Any such waiver may be validly given either before or after the meeting to which such waiver relates.

#### **7.8 Omission of Notice**

The accidental omission to give notice of any meeting of shareholders to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any such meeting.

#### **7.9 Record Dates**

Subject to subsection 134(3) of the Act, the directors may, within the period prescribed by the Act, fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of a dividend, (ii) entitled to participate in a liquidation distribution, (iii) entitled to receive notice of a meeting of shareholders, (iv) entitled to vote at a meeting of shareholders, or (v) for any other purpose.

If no record date is fixed,

- (a) the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders shall be
  - (i) at the close of business on the business day immediately preceding the day on which the notice is given; or
  - (ii) if no notice is given, the day on which the meeting is held; and
- (b) the record date for the determination of shareholders for any purpose other than to establish a shareholder's right to receive notice of a meeting or to vote shall be at the close of business on the day on which the directors pass the resolution relating to that purpose.

#### **7.10 Chair of the Meeting**

The Chair of the Board, if any, or, in his or her absence or in case of his or her inability or refusal or failure to act, such other person (other than a person who is an executive officer or employee of the Corporation) as may have been designated by the Chair of the Board to exercise such function in his or her absence, shall preside at meetings of shareholders. In the absence of all such persons or, in case of their inability or refusal or failure to act, the persons present entitled to vote shall choose another director as chair and if no director is present, or if all the directors present refuse to act, then the persons entitled to vote shall choose one of their number to be chair of the meeting.

### 7.11 Votes

Votes at meetings of shareholders may be cast either personally or by proxy. Subject to Section 7.13, every question submitted to any meeting of shareholders shall be decided on a show of hands, except when a ballot is required by the chair of the meeting or is demanded by a shareholder or proxyholder entitled to vote at the meeting or is otherwise required by the Act. A shareholder or proxyholder may demand a ballot either before or after any vote by a show of hands. At every meeting at which shareholders are entitled to vote, each shareholder present on his or her own behalf and every proxyholder present shall have one vote. Upon any ballot at which shareholders are entitled to vote, each shareholder present on his or her own behalf or by proxy shall (subject to the provisions, if any, of the articles) have one vote for every share registered in the name of such shareholder. In the case of an equality of votes under this Section 7.11, the chair of the meeting shall not have a second or casting vote in addition to the vote or votes to which he or she may be entitled as a shareholder or proxyholder.

At any meeting of shareholders, unless a ballot is demanded, an entry in the minutes of a meeting of shareholders, following a vote on the applicable motion by a show of hands, to the effect that the chair of the meeting declared a motion to be carried or defeated is, in the absence of evidence to the contrary, without proof of the number or proportion of the votes recorded in favour of or against the motion, although the chair may direct that a record be kept of the number or proportion of votes in favour of or against the motion for any purpose the chair of the meeting considers appropriate.

If at any meeting a ballot is demanded on the election of a chair for the meeting or on the question of adjournment or termination, the ballot shall be taken forthwith without adjournment. If a ballot is demanded on any other question or as to the election of directors, the ballot shall be taken in such manner and either at once or later at the meeting or after adjournment as the chair of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

### 7.12 Electronic Voting

Any person participating in a meeting of shareholders by telephone, electronic or other communication facility under Paragraph 7.4 or Paragraph **Error! Reference source not found.** and entitled to vote at that meeting may vote, in accordance with the Act, by means of the telephone, electronic or other communication facility that the Corporation has made available for that purpose. Any vote referred to in Paragraph **Error! Reference source not found.** may be held, in accordance with the Act, entirely by means of a telephone, electronic or other communication facility, if the Corporation makes available such a communication facility.

### 7.13 Right to Vote

Unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders.

Where a body corporate or a trust, association or other unincorporated organization is a shareholder of the Corporation, any individual authorized by a resolution of the directors of the body corporate or the directors, trustees or other governing body of the association, trust or unincorporated organization, to represent it at meetings of shareholders of the Corporation shall be recognized as the person entitled to vote at all such meetings of shareholders in respect of the shares held by such body corporate or by such trust, association or other unincorporated organization and the chair of the meeting may establish or adopt rules or procedures in relation to the recognition of a person to vote shares held by such body corporate or by such trust, association or other unincorporated organization.

Where a person holds shares as a personal representative, such person or his or her proxy is the person entitled to vote at all meetings of shareholders in respect of the shares so held by him or her, and the chair of the meeting may establish or adopt rules or procedures in relation to the recognition of such person to vote the shares in respect of which such person has been appointed as a personal representative.

Where a person mortgages, pledges or hypothecates his or her shares, such person or such person's proxy is the person entitled to vote at all meetings of shareholders in respect of such shares so long as such person remains the registered

owner of such shares unless, in the instrument creating the mortgage, pledge or hypothec, the person has expressly empowered the person holding the mortgage, pledge or hypothec to vote in respect of such shares, in which case, subject to the articles, such holder or such holder's proxy is the person entitled to vote in respect of the shares and the chair of the meeting may establish or adopt rules or procedures in relation to the recognition of the person holding the mortgage, pledge or hypothec as the person entitled to vote in respect of the applicable shares.

Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present on their own behalf or by proxy, they shall vote as one on the shares jointly held by them and the chair of the meeting may establish or adopt rules or procedures in that regard.

#### **7.14 Proxies**

Every shareholder, including a shareholder that is a body corporate or a trust, association or other unincorporated organization, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who are not required to be shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

A proxy must be signed in writing or by electronic signature by the shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or if the shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized.

The directors may, by resolution, fix a time and specify in a notice calling a meeting of shareholders a time not exceeding 48 hours, excluding Saturdays and holidays, preceding any meeting of shareholders or an adjournment of the meeting of shareholders before which time proxies to be used at that meeting must be deposited with the Corporation or its agent.

#### **7.15 Conduct of Meeting**

The chair shall conduct the proceedings at the meeting and the chair's decision in any matter or thing, including, without limitation, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders.

#### **7.16 Adjournment**

Subject to the Act, the articles or any unanimous shareholder agreement, the chair of the meeting may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting of shareholders from time to time and from place to place. If the meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned. If the meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than 90 days, Section 149(1) of the Act does not apply.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

#### **7.17 Quorum**

At all meetings of shareholders it shall be necessary in order to constitute a quorum for two persons entitled to vote at the meeting to be present and for not less than 10% of the outstanding shares of the Corporation which may be voted at the meeting to be represented in person or by proxy or by a duly authorized representative of a shareholder. If a

quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

If the Corporation has only one shareholder, or one shareholder holding a majority of the shares entitled to vote at the meeting, that shareholder present on his or her own behalf or by proxy constitutes a meeting and a quorum for such meeting.

#### **7.18 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

#### **7.19 Resolution in Lieu of Meeting**

Except where a written statement is submitted by a director under subsection 110(2) of the Act or by an auditor under subsection 168(5) of the Act, a resolution in writing, signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders, is as valid as if it had been passed at a meeting of shareholders, and a resolution in writing dealing with all matters required by the Act or the by-laws to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act and the by-laws relating to meetings of shareholders.

### **ARTICLE 8** **SHARES AND TRANSFERS**

#### **8.1 Issuance**

Subject to the articles and to Section 28 of the Act, shares in the Corporation may be issued at the times and to the persons and for the consideration that the directors determine; provided that a share shall not be issued until the consideration for the share is fully paid in money or in property or past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money.

#### **8.2 Security Certificates**

Security certificates (if any) shall (subject to compliance with the Act) be in such form as the directors may from time to time by resolution approve and such certificates shall be signed manually, or the signature shall be printed or otherwise mechanically reproduced on the certificate, by at least one director or officer of the Corporation or by a registrar, transfer agent or branch transfer agent of the Corporation or an individual on their behalf, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. If a security certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the security certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the security certificate is as valid as if he or she were a director or an officer at the date of its issue.

#### **8.3 Agent**

For each class of securities and warrants issued by the Corporation, the directors may from time to time by resolution appoint or remove,

- (a) a trustee, transfer agent or other agent to keep the securities register and the register of transfer and one or more persons or agents to keep branch registers; and

- (b) a registrar, trustee or agent to maintain a record of issued certificates and warrants,

and, subject to the Act, one person may be appointed for the purposes of both clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof.

#### **8.4 Dealings with Registered Holder**

Subject to the Act and the by-laws, the Corporation may treat the registered holder of a security as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of a holder of the security.

#### **8.5 Defaced, Destroyed, Stolen or Lost Security Certificates**

In the event of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any), on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstances concerning the same and with a request for the issuance of a new security certificate to replace the one so defaced (together with the surrender of the defaced security certificate), destroyed, stolen or lost. Upon the giving to the Corporation (or if there be an agent, hereinafter in this Section 8.5 referred to as the "**Corporation's agent**", then to the Corporation and the Corporation's agent) of an indemnity bond (or other security approved by the directors) in such form as is approved by the directors or by any officer of the Corporation, indemnifying the Corporation (and the Corporation's agent if any) against all loss, damage or expense, which the Corporation and/or the Corporation's agent may suffer or be liable for by reason of the issuance of a new security certificate to such owner, a new security certificate shall be issued in replacement of the one defaced, destroyed, stolen or lost, and such issuance may be ordered and authorized by any officer of the Corporation or by the directors.

#### **8.6 Enforcement of Lien for Indebtedness**

Except in the case of any class or series of shares of the Corporation listed on a stock exchange, the Corporation shall have a lien on the shares registered in the name of a shareholder or the shareholder's legal representative for a debt of that shareholder to the Corporation and such lien may be enforced by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares. No sale shall be made until such time as the debt ought to be paid and until a demand and notice in writing stating the amount due and demanding payment and giving notice of intention to sell on default shall have been served on the holder or such shareholder's legal representative of the shares subject to the lien and default shall have been made in payment of such debt for seven days after service of such notice. Upon any such sale, the proceeds shall be applied, firstly, in payment of all costs of such sale, and, secondly, in satisfaction of such debt and the residue (if any) shall be paid to the shareholder or as such shareholder shall direct. Upon any such sale, the directors may enter or cause to be entered the purchaser's name in the securities register of the Corporation as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by, any irregularity or invalidity in the proceedings, or be bound to see to the application of the purchase money, and after the purchaser's name or the name of the purchaser's legal representative has been entered in the securities register, the validity of the sale shall not be impeached by any person.

#### **8.7 Electronic, Book-Based or Other Non-Certificated Registered Positions**

For greater certainty, but subject to the Act, a registered securityholder may have his or her holdings of securities of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the register of securityholders to be kept by the Corporation in place of a physical security certificate pursuant to a registration system that may be adopted by the Corporation, in conjunction with its transfer agent (if any). The by-laws shall be read such that a registered holder of securities of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of securities evidenced by a physical security certificate. The Corporation and its transfer agent (if any) may adopt such

policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a security registration system by electronic, book-based, direct registration system or other non-certificated means.

## **ARTICLE 9** **DIVIDENDS**

### **9.1 Dividends**

Subject to the articles, the directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and the Corporation may pay a dividend in money or property.

### **9.2 Joint Shareholders**

In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments in respect of such securities.

### **9.3 Dividend Payments**

A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the recorded address of such registered holder, or, paid by electronic funds transfer to the bank account designated by the registered holder, unless such holder otherwise directs. In the case of joint holders, the cheque or payment shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and, if more than one address is recorded in the Corporation's security register in respect of such joint holding, the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, or the electronic funds transfer as aforesaid, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt of any dividend cheque or payment by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque or payment for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as any officer or the directors may from time to time prescribe, whether generally or in any particular case.

## **ARTICLE 10** **MISCELLANEOUS**

### **10.1 Remuneration of Directors, Officers and Employees**

The directors of the Corporation may fix the remuneration of the directors, officers and employees of the Corporation. Any remuneration paid to a director of the Corporation shall be in addition to the salary paid to such director in his or her capacity as an officer or employee of the Corporation. Subject to the Act, the directors may also by resolution

award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director of the Corporation. The confirmation of any such resolution by the shareholders shall not be required. The directors, officers and employees shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

### **10.2 Submission of Contracts or Transactions to Shareholders for Approval**

The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or other applicable law or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

### **10.3 Conflict of Interest**

A director or officer of the Corporation who is:

- (a) a party to a material contract or transaction or proposed material contract or proposed transaction with the Corporation; or
- (b) a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or proposed transaction with the Corporation;

shall, at the time and in the manner provided in the Act, disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors, the nature and extent of his or her interest. Except as provided in the Act, no such director of the Corporation shall attend any part of a meeting of directors during which the contract or transaction is discussed, and no such director shall vote on any resolution to approve such contract or transaction.

If a material contract is made or a material transaction is entered into between the Corporation and one or more of its directors or officers, or between the Corporation and another person of which a director or officer of the Corporation is a director or officer or in which he or she has a material interest, the director or officer shall not be accountable to the Corporation or its shareholders for any profit or gain realized from the contract or transaction, and the contract shall not be void or voidable, by reason only of that relationship or by reason only that such director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if (a) the director or officer disclosed his or her interest in accordance with the Act, and (b) the contract or transaction was reasonable and fair to the Corporation at the time it was approved.

Even if the foregoing conditions are not met, a director or officer, acting honestly and in good faith, shall not be accountable to the Corporation or to its shareholders for any profit or gain realized from any such contract or transaction, by reason only of his or her holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, shall not be by reason only of the director's or officer's interest therein void or voidable, where (a) the contract or transaction is confirmed or approved by special resolution at a meeting of the shareholders duly called for that purpose, and (b) the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in the information circular.

### **10.4 For the Protection of Directors and Officers**

No director or officer of the Corporation shall be liable to the Corporation for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be placed out or invested or for any loss or damage

arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any monies, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever that may happen in the execution of the duties of such director's or officer's respective office of trust or in relation thereto, unless the same shall happen by or through the director's or officer's failure to exercise the powers and to discharge the duties of office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or relieve such director or officer from liability under the Act. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact that the director or officer is a shareholder, director or officer of the Corporation or body corporate or member of the firm shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

### **10.5 Indemnities to Directors and Others**

- (a) The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, or any other individual permitted by the Act to be so indemnified in the manner and to the fullest extent permitted by the Act. Without limiting the generality of the foregoing, subject to the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including costs reasonably incurred in the defence of an action or proceeding and an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation shall advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 10.5(a). The individual shall repay the money if the individual does not fulfill the conditions of Section 10.5(c).
- (c) The Corporation shall not indemnify an individual under Section 10.5(a) unless the individual:
  - (i) acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and
  - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.
- (d) The Corporation shall, with the approval of a court, indemnify an individual referred to in Section 10.5(a), or advance monies under Section 10.5(b), in respect of an action by or on behalf of the Corporation or other entity to obtain a judgment in its favour, to which the individual is made a party because of the individual's association with the Corporation or other entity as described in Section 10.5(a), against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in Section 10.5(c).
- (e) The Corporation may purchase and maintain insurance for the benefit of an individual referred to in Section 10.5(a) against any liability incurred by that individual to the extent permitted by the Act.

## **10.6 Voting Securities in Other Bodies Corporate**

All securities of or other interests in a body corporate or a trust, association or other unincorporated organization carrying voting rights and held from time to time by the Corporation may be voted at all meetings of shareholders, unitholders, bondholders, debenture holders or holders of such securities or other interests, as the case may be, of such other body corporate or trust, association or other unincorporated organization, and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. Any officer of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and arrange for the issuance of voting certificates or other evidence of the right to vote in such names as such officer may determine, without the necessity of a resolution or other action by the directors.

## **10.7 Service**

Any notice or document required by the Act, the articles or the by-laws to be sent to any shareholder or director of the Corporation may be delivered personally to or sent by pre-paid mail addressed to:

- (c) the shareholder at the shareholder's latest address as shown in the records of the Corporation or its transfer agent; and
- (d) the director at the director's latest address as shown in the records of the Corporation or in the last notice filed under Section 106 or 113 of the Act.

A notice or document sent by mail as contemplated by this Section 10.7 to a shareholder or director of the Corporation shall be deemed to have been received by the shareholder or director (as the case may be) at the time it would be delivered in the ordinary course of mail, unless there are reasonable grounds for believing that the shareholder or director (as the case may be) did not receive the notice or document at that time or at all.

Notwithstanding the foregoing, provided that the addressee has consented in writing and has designated an information system for the receipt of electronic documents as contemplated by the Act, the Corporation may satisfy the requirements to send any notice or document referred to above, subject to the Act, by creating an electronic document and providing such electronic document to the applicable specified information system or otherwise posting or making such document available on a generally accessible electronic source, such as a web site, and providing written notice of the availability and location of that electronic document, unless otherwise prescribed by the Act. Any such electronic document shall be deemed to have been sent to and received by the addressee when it enters the information system of the addressee or, if posted or otherwise made available through a generally accessible electronic source, when the addressee receives written notice of the availability and location of that electronic document.

## **10.8 Failure to Locate Shareholder**

If the Corporation sends a notice or document to a shareholder and the notice or document is returned on two consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until the shareholder informs the Corporation in writing of the shareholder's new address.

## **10.9 Shares Registered in More than one Name**

All notices or documents shall, with respect to any shares in the capital of the Corporation registered in more than one name, be sent to whichever of such persons is named first in the records of the Corporation and any notice or document so sent shall be sufficient notice of delivery of such document to all the holders of such shares.

## **10.10 Persons Becoming Entitled by Operation of Law**

Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or document in respect of such shares which prior to

his or her name and address being entered on the records of the Corporation in respect of such shares shall have been duly sent to the person or persons from whom such person derives his or her title to such shares.

#### **10.11 Signatures upon Notices**

The signature of any director or officer of the Corporation upon any notice need not be a manual signature.

#### **10.12 Computation of Time**

Where a given number of days' notice or notice extending over any period is required to be given under any provisions of the articles or the by-laws, the day the notice is sent shall, unless it is otherwise provided by applicable law, be counted in such number of days or other period.

#### **10.13 Proof of Service**

A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing or delivery or sending of any notice or document to any shareholder, director, officer or auditor of the Corporation or any other person or publication of any notice or document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation or other person, as the case may be.

#### **10.14 Custody of Securities**

All securities (including warrants) owned by the Corporation may be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or with such other depositaries or in such other manner as may be determined from time to time by any officer or director.

All securities (including warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

#### **10.15 Execution of Contracts, Etc.**

Contracts, documents or instruments requiring the signature of the Corporation may be signed by any director or officer alone or any person or persons authorized by resolution of the directors and all contracts, documents or instruments so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments generally or to sign specific contracts, documents or instruments.

The corporate seal (if any) of the Corporation may be affixed by any director or officer to contracts, documents or instruments signed by such director or officer as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the directors.

The term "**contracts, documents or instruments**" as used in the by-laws shall include notices, deeds, mortgages, hypothecs, charges, cheques, drafts, orders for the payment of money, notes, acceptances, bills of exchange, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

The signature or signatures of any director or officer or any other person or persons appointed as aforesaid by resolution of the directors may be printed, engraved, lithographed or otherwise mechanically or electronically reproduced upon all contracts, documents or instruments executed or issued by or on behalf of the Corporation and all contracts, documents or instruments on which the signature or signatures of any of the foregoing persons shall be

so reproduced, shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments.

#### **10.16 Fiscal Period**

The fiscal period of the Corporation shall terminate on such day in each year as the Board may from time to time by resolution determine.

#### **10.17 Unanimous Shareholder Agreement**

The provisions of the by-laws are subject to the terms of any unanimous shareholder agreement in effect from time to time in respect of the Corporation and, to the extent of any inconsistency between the by-laws and any such unanimous shareholder agreement, such unanimous shareholder agreement shall prevail over the by-laws.

#### **10.18 Delivery of Documents**

The delivery of an executed copy of any and all by-laws, minutes of meetings, resolutions, consents, instruments, or like documents required by the Act to be kept with the records of the Corporation in counterparts, by facsimile or by electronic transmission shall be deemed to be the equivalent of the delivery of an original executed copy thereof and the counterparts together shall constitute one and the same document.

#### **10.19 Borrowing Money, Etc.**

The directors of the Corporation may from time to time:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation, including without limitation, bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (d) mortgage, hypothecate, pledge or otherwise create an interest in or charge on all or any property of the Corporation, owned or subsequently acquired, to secure payment of a debt or performance of any other obligation of the Corporation; or
- (e) delegate to one or more directors, a committee of directors or one or more officers of the Corporation as may be designated by the directors, all or any of the powers conferred by the foregoing clauses of this Section 10.19 to such extent and in such manner as the directors shall determine at the time of each such delegation

#### **10.20 Former By-Laws May be Repealed**

Upon this by-law coming into force, By-Law No. 1 of the Corporation that is in effect at the time this by-law becomes effective is repealed provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any act or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All officers and provisions of this by-law and all resolutions of the shareholders or of the directors with continuing effect passed under such repealed by-law shall continue good and valid except to the extent inconsistent with this by-law and until amended or repealed.