Notice of Annual and Special Meeting
and
Management Information Circular

August 24, 2022

ELCORA ADVANCED MATERIALS CORP.

111 Ahmadi Crescent
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**" or the "**Company**") will be held at **Suite 10, 275 Rocky Lake Drive, Bedford, Nova Scotia**, on **Wednesday, September 28, 2022** 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, 2022;

2. to fix the number of directors at three (3);

3. to elect directors for the ensuing year;

4. to 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 approve the Corporation's 10% rolling stock option plan as more fully described in the management information circular;

6. to approve the Corporation's restricted share unit plan as more fully described in the management information circular;

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 an amendment to 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** by **10:00 a.m.** (Halifax, Nova Scotia time) on **Monday, September 26, 2022** (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 **Wednesday, August 24, 2022** 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 Bedford, Nova Scotia, on the **24th** day of **August, 2022.**

ON BEHALF OF THE BOARD

Signed: *"Troy Grant"*
Troy Grant,
President & Chief Executive Officer

ELCORA ADVANCED MATERIALS CORP.

111 Ahmadi Crescent
Bedford, Nova Scotia
B4A 4E5

MANAGEMENT INFORMATION CIRCULAR

(as at August 24, 2022 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 **Wednesday, September 28, 2022** (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

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** by **10:00 a.m.** (Halifax, Nova Scotia time) on **Monday, September 26, 2022**, 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

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 **153,337,013** 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, 2022** 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:

Name of Shareholder	**Number of Shares Owned**	**Percentage of Outstanding Shares** (1)
CDS & Co (3)	**116,900,455**(2)	**76.238**%

Notes:

(1) Based on **153,337,013** 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

1) Financial Statements

The audited financial statements of the Corporation for the year ended **March 31, 2022**, 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[(1)]	Number of convertible securities of the Corporation beneficially owned, directly or indirectly, or controlled or directed at present[(1)]
Troy Grant[(2)] Nova Scotia, Canada ***President, Chief Executive Officer, and Director***	Businessman	June 2011	3,891,533 Common Shares	850,000 Options Nil Warrants
Johannes (Theo) van der Linde[(2)] British Columbia, Canada ***Chief Financial Officer and Director***	Chartered Accountant	October 2012	1,527,143 Common Shares	Nil Options Nil Warrants
Denis Choquette[(2)] Quebec, Canada ***Director***	President, GTR Capital	April 2015	1,878,500 Common Shares	750,000 Options 1,100,000 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

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.

Table of compensation excluding compensation securities							
Name and position	**Year Ended March 31**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Troy Grant *President, CEO & Director*	2022 2021	250,000 250,000[(1)]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	250,000 250,000
Theo van der Linde *CFO & Director*	2022 2021	186,000 150,000[(2)]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	186,000 150,000
Denis Choquette *Director*	2022 2021	Nil Nil	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.

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, 2022.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended March 31, 2022.

Stock Option Plans and Other Incentive Plans

Stock Option 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.

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 ten (10) 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 Stock Option Plan at any time, or amend or revise the terms of the Plan or any of any Option granted under the Stock Option Plan and the Stock 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.

RSU Plan

A restricted share unit plan (the "**RSU 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 fixed plan reserving for issuance upon the exercise of RSU's granted pursuant to the RSU Plan of up to a maximum of 10% of the issued and outstanding shares of the Corporation. The RSU Plan is administered by the Board of Directors of the Corporation.

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 RSU 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 not more than 10% of the outstanding Common Shares in a year 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 different vesting periods and vesting is subject to the satisfaction of certain performance criteria pursuant to the terms of the RSU Plan.

Employment, consulting and management agreements

3063625 NS Ltd.

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

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 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, 2022.

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[(1)]	$500,000[(1)]
Theo van der Linde CFO	$300,000[(2)]	$300,000[(2)]

Notes:
(1) Represents two year' fees based on Mr. Grant's 2022 annual fees of $250,000. Figures are rounded.
(2) Represents two years' fees based on Mr. van der Linde's 2022 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

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[1]	Audit-related Fees[2]	Tax Fees[3]	All Other Fees[4]
Dale Matheson Carr Hilton LaBonte LLP, Chartered Professional Accountant	2022	$23,000	$281	$1,864	Nil
Dale Matheson Carr Hilton LaBonte LLP, Chartered Professional Accountant	2021	$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:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Troy Grant	Auxly Cannabis Group Inc. Global Care Capital Inc. I3 Interactive Inc. Alkaline Fuel Cell Power Corp.
Theo van der Linde	Slam Exploration Ltd. Meguma Gold Corp. Red White & Bloom Brands Inc. Powertap Hydrogen Capital Corp. Boksburg Ventures Inc. Clean Power 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 to 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

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 2022 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 2022 Stock Option Incentive Plan (the "**2022 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 2022 Stock Option Plan is set forth below.

Adoption of the 2022 Stock Option Incentive Plan is subject to the approval of relevant disinterested shareholders at the Meeting and final TSX Venture Exchange approval.

Summary of the 2022 Stock Option Incentive Plan

The 2022 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 2022 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 2022 Stock Option Plan. The 2022 Stock Option Plan is administered by the Board of Directors of the Corporation. Subject to the provisions of the 2022 Stock Option Plan, the directors in their sole discretion will determine all options to be granted pursuant to the 2022 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 2022 Stock Option Plan. A summary of some of the additional provisions of the 2022 Stock Option Plan are as follows:

(i) the maximum aggregate number of Shares that may be reserved for issuance under Options (including all security based compensation) granted to Insiders pursuant to the Plan may not exceed 10% of the Outstanding Issue at any point in time, unless the Company has obtained "disinterested shareholder" approval in accordance with the Policies of the TSXV;

(ii) the maximum aggregate number of Options granted to Insiders under the Plan together with any Other Share Compensation Arrangement within any 12 month period may not exceed 10% of the Outstanding Issue calculated as at the date of any Option granted or issued, to any Insider, unless the Company has obtained "disinterested shareholder" approval in accordance with the Policies of the TSXV;

(iii) the maximum aggregate number of Shares that may be reserved for issuance under Options pursuant to the Plan together with any Other Share Compensation Arrangement to any one individual within a 12 month period shall not exceed 5% of the Outstanding Issue at the time of grant (unless the Company has obtained "disinterested shareholder" approval in accordance with the Policies of the TSXV);

(iv) the maximum aggregate number of Shares that may be reserved under the Plan or any Other Share Compensation Arrangement for issuance to any one Consultant within a 12 month period shall not exceed 2% of the Outstanding Issue at the time of grant;

(v) the maximum aggregate number of Shares that may be reserved under the Plan or any Other Share Compensation Arrangement for issuance to persons who are conducting Investor Relations Activities within a 12 month period shall not exceed 2% of the Outstanding Issue at the time of grant;

(vi) options granted shall be non-assignable and not transferable and shall not have a term in excess of ten years;

(vii) The exercise price per Share under an Option shall be determined by the Board or Committee, in its discretion, at the time such Option is granted, but such price shall not be less than the closing price of the Shares on the TSXV on the trading day immediately preceding the day on which the Option is granted, less any allowable discount (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used) and, in any event, the exercise price per Share will not be less than $0.05, being the minimum exercise price allowable under the Policies of the TSXV; and

(viii) all options granted shall be evidenced by written option agreements.

There were no stock options granted during the year ended March 31, 2022. As at March 31, 2022, there were a total of 3,450,000 stock options outstanding under the Stock Option Plan.

At the Meeting, disinterested Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution ratifying and approving the 2022 Stock Option Plan (the "**2022 Stock Option 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 2022 Stock Option Plan is as follows:

"BE IT RESOLVED THAT:

1. the Corporation's 2022 Stock Option Plan, as described in the Circular of the Corporation dated August 24, 2022 be and it is hereby approved and confirmed, including the reservation for issuance under the 2022 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 TSX Venture Exchange (the "**Exchange**");

2. the Corporation be and is hereby authorized to make such amendments, if any, to the 2022 Stock Option Plan, as may be requested by the Exchange in order that the 2022 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 2022 Stock Option Plan is in the best interest of the Corporation and recommends that Shareholders of the Corporation vote in favour of approving the 2022 Stock Option Plan. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the 2022 Stock Option Plan Resolution.**

Approval of the Restricted Share Unit Plan

The Board approved a restricted share unit plan (the "**2022 RSU Plan**") for the Company. The adoption of the 2022 RSU Plan is subject to the approval of relevant disinterested shareholders at the Meeting and final TSX Venture Exchange approval. The Board determined that it is desirable to have a wide range of incentive plans including the 2022 RSU Plan in place to attract, retain, and motivate employees, directors and consultants of the Corporation. A copy of the 2022 RSU Plan is attached as Schedule "C" to this Circular. A summary of the material provisions of the 2022 RSU Plan is set forth below.

Summary of Restricted Share Unit Plan

The Board approved a restricted share unit plan (the "**2022 RSU Plan**") for the Corporation on August 24, 2022. 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 2022 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.

The purpose of the 2022 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 2022 RSU Plan is intended to complement the Company's 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. A summary of the material provisions of the 2022 RSU Plan is set forth below.

The 2022 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 Corporation, RSUs. The 2022 RSU Plan provides for a fixed maximum limit of 15,333,701 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 and vesting is subject to the satisfaction of certain performance criteria pursuant to the terms of the 2022 RSU Plan. 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. The RSU Plan provides for a

fixed maximum limit of not more than 10% of the outstanding Common Shares in a year as permitted by the policies of the **TSXV**.

As of the date of this circular, no RSUs have been issued to employees and consultants of the Corporation. As at the date hereof, the number of Common Shares remaining available for issuance under the 2022 RSU Plan is 15,333,701.

At the Meeting, disinterested Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution ratifying and approving the 2022 RSU Plan (the "**2022 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 2022 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 2022 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 2022 RSU Plan is in the best interest of the Corporation and recommends that Shareholders of the Corporation vote in favour of approving the 2022 RSU Plan. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the 2022 RSU Plan Resolution**

Approval of By-law No. 1 of the Corporation

On August 24, 2022, the Board approved an amendment to Section 7.17 of its existing bylaws ("**Bylaw No. 1**"). The Bylaw No. 1, as amended (the "**Amended Bylaw No. 1**"), decreases the quorum requirement at meetings of shareholders from 10% to 5%. The Amended Bylaw No. 1 in the form attached to this Circular as Schedule "D", replaces the existing Bylaw No. 1 of the Corporation in its entirety. The change was made to make the by-law conform to more flexible requirements.

Pursuant to the provisions of the CBCA the Amended Bylaw No. 1, is effective from the date the Board approved it, until it is confirmed or rejected by Shareholders. Accordingly, the Amended Bylaw No. 1 will cease to be effective unless ratified and confirmed by a resolution passed by a simple majority of the votes cast by Shareholders at the Meeting. At the Meeting, Shareholders will be asked to consider, and if deemed advisable, approve an ordinary resolution confirming and ratifying the Amended Bylaw No. 1. The complete text of the resolution (the "**Amended By-law Resolution"),** which management intends to place before the Meeting, ratifying, adopting and approving the Amended Bylaw No. 1 as follows:

"**BE IT HEREBY RESOLVED** that:

1. the repeal of By-law No. 1 of the Corporation is confirmed;

2. the Amended Bylaw 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 resolution to adopt the Amended Bylaw 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. Financial information about the Corporation is provided in the Corporation's comparative annual financial statements to March 31, 2022, 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. Additional financial information concerning the Corporation may be obtained by any securityholder of the Corporation free of charge by contacting the Corporation, at 111 Ahmadi Crescent, Bedford, Nova Scotia, B4A 4E5 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 **24th** day of **August, 2022**.

ON BEHALF OF THE BOARD

Signed: *"Troy Grant"*
Troy Grant,
President & Chief Executive Officer

ELCORA ADVANCED MATERIALS CORP.

Schedule "A"
Audit Committee Charter

(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 form 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 24th 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.

Schedule "B"
STOCK OPTION PLAN

(SEE ATTACHED)

ELCORA ADVANCED MATERIALS CORP.

(the "**Corporation**")

STOCK OPTION PLAN

Effective August 24, 2022

1. OBJECTIVES

The Plan is intended as an incentive to enable the Company to:

(a) attract and retain qualified Directors, Senior Officers, Employees, Management Company Employees and Consultants of the Company and its Affiliates;

(b) promote a proprietary interest in the Company and its Affiliates among its Directors, Senior Officers, Employees, Management Company Employees and Consultants; and

(c) stimulate the active interest of such persons in the development and financial success of the Company and its Affiliates.

2. DEFINITIONS

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

"**Affiliate**" has the meaning ascribed thereto in the Policies of the TSXV;

"**Associate**" has the meaning ascribed thereto in the Policies of the TSXV;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Board**" means the board of directors of the Company;

"**Change of Control**" means:

(a) the sale, lease or other disposition of all or substantially all of the Company's assets to a Person or a combination of Persons at arm's length to the Company and its Affiliates, whether pursuant to one or more transactions or as a result of liquidation or dissolution of the Company;

(b) the Company amalgamates, merges or enters into a plan of arrangement with another company at arm's length to the Company and its Affiliates, other than an amalgamation, merger or plan of arrangement that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation, merger or plan of arrangement; or

(c) any Person or combination of persons at arm's length to the Company and its Affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 20% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect, and such Person or combination of Persons exercise(s) the voting power attached to such securities in a manner that causes the Incumbent Directors to cease to constitute a majority of the Board; or

(d) any Person or combination of Persons at arm's length to the Company and its Affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect; and

(e) the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then Incumbent Directors of the Company, or the election of a majority of directors to the Board who were not nominees of the incumbent Board at the time immediately preceding such election;

"**Committee**" means a committee of the Board that the Board may, in accordance with subsection 3.1, designate to administer the Plan;

"**Company**" means Elcora Advanced Materials Corp., a company existing under the Canada Business Corporations Act;

"**Consultant**" means an individual or Consultant Company, other than an Employee, a Senior Officer, a Management Company Employee or a Director of the 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 of securities;

(b) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;

(c) 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

(d) 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;

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

"**Discounted Market Price**" has the meaning ascribed thereto by the Policies of the TSXV;

"**Director**" means a member of the Board;

"**Employee**" means an individual who:

(a) is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);

(b) 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) works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the 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;

"**Insider**" has the meaning ascribed thereto by the Policies of the TSXV;

"**Investor Relations Activities**" has the meaning ascribed thereto by the Policies of the TSXV;

"**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;

"**Option**" means an option to purchase Shares granted under or subject to the terms of the Plan;

"**Option Agreement**" means a written agreement or certificate between the Company and an Optionee that evidences the Option and sets forth the terms, conditions and limitations applicable to an Option;

"**Option Period**" means the period for which an Option is granted;

"**Optionee**" means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;

"**Other Share Compensation Arrangement**" means, other than the Plan and any Options, any employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including but not limited to a purchase of Shares from treasury which is financially assisted by the Company by way of loan, guarantee or otherwise;

"**Outstanding Issue**" means the number of Shares that are outstanding immediately prior to the Share issuance or Option grant in question;

"Person" means a company or individual;

"**Plan**" means this Amended and Restated Stock Option Plan of the Company;

"**Policies of the TSXV**" means the policies of the TSXV published by the TSXV in its Corporate Finance Manual, as may be amended from time to time;

"**Securities Acts**" means collectively, the *Securities Act* (British Columbia), R.S.B.C. 1996 c. 418, as amended, the *Securities Act* (Ontario) R.S.O., 1990, c. S.5, as amended, and the *Securities Act* (Alberta) R.S.A. 2000 c. S-4, as amended, from time to time;

"**Senior Officer**" means an officer of the Company within the meaning ascribed thereto in either the Securities Acts or a senior officer of the Company within the meaning ascribed thereto in the BCBCA;

"**Shares**" means common shares without par value in the capital stock of the Company as the same are presently constituted; and

"**TSXV**" means the TSX Venture Exchange or any successor thereto; provided that if the Shares are or become listed on a senior stock exchange, then reference to "TSXV" means a reference to such senior stock exchange.

3. ADMINISTRATION OF THE PLAN

3.1 The Plan will be administered by the Board or by a Committee of two or more Directors who may be designated from time to time to serve as the Committee for the Plan, all of the sitting members of which shall be current Directors. Notwithstanding the existence of any such Committee, the Board itself will retain independent and concurrent power to undertake any action hereunder delegated to the Committee, whether with respect to the Plan as a whole or with respect to individual Options granted or to be granted under the Plan.

3.2 Subject to the limitations of the Plan, the Board shall have full power to grant Options, to determine the terms, limitations, restrictions and conditions respecting such Options and to settle, execute and deliver Option Agreements and bind the Company accordingly, to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan.

3.3 Notwithstanding any provision of this Plan, the Board may, in its discretion grant Options as it sees fit, or otherwise accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, provide for the extension of the Option Period of an outstanding Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either:

(a) not adverse to the Optionee holding such Option; or

(b) consented to by such Optionee;

subject to any required approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company. In the case of Options granted to Persons providing Investor Relations Activities, there can be no acceleration of the vesting requirements applicable to the Options without the prior written approval of the TSXV.

3.4 The Board or Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent deemed necessary or desirable to carry it into effect. Any decision of the Board or Committee in the interpretation and administration of the Plan shall lie within its absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Board or Committee shall be liable for

anything done or omitted to be done by such member, by any other member of the Board or Committee or by any officer of the Company, in connection with the performance of any duties under the Plan, except those which arise from such member's own wilful misconduct or as expressly provided by statute.

3.5 All costs associated with the administration of the Plan shall be paid by the Company, other than broker's fees or commissions payable pursuant to section 16.

4. ELIGIBILITY FOR OPTIONS

4.1 Options may be granted to Directors, Senior Officers, Employees, Management Company Employees and Consultants of the Company and its Affiliates, including an issuer all the voting securities of which are owned by such persons, who are, in the opinion of the Board or Committee, in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates, are in the opinion of the Board or Committee, worthy of special recognition. Except as may be otherwise set out in this Plan, the granting of Options is entirely discretionary. Nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and the designation of any Optionee in any year or at any time shall not require the designation of such person to receive an Option in any other year or at any other time. The Board or Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amounts and terms of their respective Options.

4.2 If an Optionee who is granted an Option is an Employee, Management Company Employee or Consultant of the Company or any of its Affiliates, the Option Agreement pertaining to such Option shall contain a representation by both the Company and the Optionee that the Optionee is a bona fide Employee, Management Company Employee or Consultant of the Company or its Affiliates.

4.3 Subject to the acceptance of this Plan for filing by the TSXV and receipt of shareholder approval, any options over securities of the Company previously granted by the Company, which remain outstanding immediately prior to August 24, 2022 will be deemed to have been issued under and will be governed by the terms of the Plan provided that, in the event of inconsistency between the terms of the agreements governing such options previously granted and the terms of the Plan, the terms of such agreements shall govern. Any Shares issuable upon exercise of such options granted previously will be included for the purpose of calculating the amounts set out in subsection 5.1 hereof.

4.4 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in exchange for outstanding options granted by the Company or any predecessor Company thereof or any Affiliate thereof, whether such outstanding options were granted under the Plan, under any other stock option plan of the Company or any predecessor Company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor Company or Affiliate thereof.

4.5 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in substitution for outstanding options of one or more other companies in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other companies and the Company or any of its Affiliates.

5. NUMBER OF SHARES RESERVED UNDER THE PLAN

5.1 The total maximum number of Shares reserved and available for grant pursuant to the Plan, or any other share compensation arrangement (pre-existing or otherwise), cannot exceed 10% of the total issued and outstanding Shares of the Company. If any Option subject to the Plan is forfeited, expires, is terminated or is cancelled for any reason whatsoever (other than by reason of exercise), then un-purchased shares subject thereto shall again be available for the purpose of the Plan.

5.2 Such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares.

5.3 If and for so long as the Shares are listed on the TSXV:

(i) the maximum aggregate number of Shares that may be reserved for issuance under Options (including all security based compensation) granted to Insiders pursuant to the Plan may not exceed 10% of the Outstanding Issue at any point in time, unless the Company has obtained "disinterested shareholder" approval in accordance with the Policies of the TSXV;

(ii) the maximum aggregate number of Options granted to Insiders under the Plan together with any Other Share Compensation Arrangement within any 12 month period may not exceed 10% of the Outstanding Issue calculated as at the date of any Option granted or issued, to any Insider, unless the Company has obtained "disinterested shareholder" approval in accordance with the Policies of the TSXV;

(iii) the maximum aggregate number of Shares that may be reserved for issuance under Options pursuant to the Plan together with any Other Share Compensation Arrangement to any one individual within a 12 month period shall not exceed 5% of the Outstanding Issue at the time of grant (unless the Company has obtained "disinterested shareholder" approval in accordance with the Policies of the TSXV);

(iv) the maximum aggregate number of Shares that may be reserved under the Plan or any Other Share Compensation Arrangement for issuance to any one Consultant within a 12 month period shall not exceed 2% of the Outstanding Issue at the time of grant; and

(v) the maximum aggregate number of Shares that may be reserved under the Plan or any Other Share Compensation Arrangement for issuance to persons who are conducting Investor Relations Activities within a 12 month period shall not exceed 2% of the Outstanding Issue at the time of grant.

5.4. Subject to the policies of the TSXV an Option shall vest and may be exercised (in each case to the nearest full Share) during the Option Period in accordance with any vesting schedule as the Board may determine from time to time in its sole discretion.

6. NUMBER OF SHARES PER OPTION

6.1 The number of Shares under an Option shall be determined by the Board or Committee, in its discretion, at the time such Option is granted, taking into consideration the Optionee's present and potential contribution to the success of the Company and taking into account all other Options then held by such Optionee, but subject always to the limitations set forth in section 5.

7. HOLD PERIOD

7.1 In addition to any resale restrictions under Securities Acts, all stock options granted to insiders or granted to any optionee at any discount to the Market Price, must be legended with the TSXV hold period commencing on the date the Option was granted as follows:

> "Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[four months + 1 day from the date of grant]**."

8. PRICE

8.1 The exercise price per Share under an Option shall be determined by the Board or Committee, in its discretion, at the time such Option is granted, but such price shall not be less than the closing price of the Shares on the TSXV on the trading day immediately preceding the day on which the Option is granted, less any allowable discount (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used) and, in any event, the exercise price per Share will not be less than $0.05, being the minimum exercise price allowable under the Policies of the TSXV.

8.2 The exercise price at which, and the number of Optioned Shares for which, an outstanding Option may be exercised following a subdivision or consolidation of the Shares shall be subject to adjustment in accordance with section 12.

8.3 Subject to TSXV approval, the exercise price per Optioned Share under an Option may be reduced at the discretion of the Board or Committee if:

(a) prior TSXV approval is obtained and at least six months has elapsed since the later of the date such Option was granted and the date the exercise price for such Option was last amended; and

(b) disinterested shareholder approval is obtained for any reduction in the exercise price under an Option held by an Insider of the Company;

provided that if the exercise price is reduced to the then Discounted Market Price, the TSXV four month hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made under subsection 5.2.

8.4 The Company must obtain disinterested shareholder approval for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Optionee is an Insider of the issuer at the time of the proposed amendment.

9. OPTION PERIOD AND EXERCISE OF OPTIONS

9.1 The Option Period for an Option shall be determined by the Board or Committee at the time the Option is granted and may be up to ten (10) years from the date the Option is granted. At the time an Option is granted, the Board or Committee may determine that, with respect to that Option, upon the occurrence of one of the events described in subsection 11.1 there shall come into force a time limit for exercise of such Option which is different than the Option Period, and in the event of such a determination, the Option Agreement for such Option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum Option Period provided for in this subsection 9.1 and subject to applicable regulatory requirements and approvals, the Board or Committee may extend the Option Period of an outstanding Option beyond its original expiration date, (whether or not such Option is held by an Insider) if the following requirements are satisfied:

(a) the term of the Option is not extended so that the effective term of the Option exceeds ten (10) years in total; and

(b) if the Optionee is an Insider at the time of the amendment, disinterested shareholder approval is obtained.

9.2 Options issued to Consultants who perform Investor Relations Activities will be subject to a vesting schedule whereby no more than 25% of the options granted may be vested in any three month period.

9.3 If there is a takeover bid made for all or any of the issued and outstanding Shares, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the Shares subject to such Options to be issued and tendered to such bid. In the case of Options granted to Persons providing Investor Relations Activities, there can be no acceleration of the vesting requirements applicable to the Options without the prior written approval of the TSXV.

9.4 The vested portions of Options will be exercisable, in whole or in part, at any time after vesting. If an Option is exercised for fewer than all of the Shares for which the Option has then vested, the Option shall remain in force and exercisable for the remaining Shares for which the Option has then vested, according to the terms of such Option.

9.5 The exercise of any Option will be contingent upon receipt by the Company of cash payment in full for the exercise price of the Shares being purchased by way of certified cheque, wire transfer or bank draft and the subtraction of Withholding Obligations, hereinafter defined, in accordance with section 16 in a manner acceptable to the Company. Neither an Optionee nor the legal representatives, legatees or distributees of such Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issuable to the Optionee or such other persons pursuant to the Option or the Plan.

10. STOCK OPTION AGREEMENT

10.1 Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Shares subject to the Option, the income tax withholding provisions in a manner as specified in subsections 16.3 and 16.4, the Option Period, and the vesting schedule for the Option, if any, and incorporating the terms and conditions of the Plan and any other requirements of regulatory authorities and stock exchanges having jurisdiction over the securities of the Company, together with such other terms and conditions as the Board or Committee may determine in accordance with the Plan.

11. EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH

11.1 An outstanding Option shall remain in full force and effect and exercisable according to its terms for the Option Period until the Optionee ceases to be a Director, Senior Officer, Employee, Management Company Employee, or Consultant of the Company (including Optionees performing Investor Relations Activities) for any reason, excluding death, after which time the Option will terminate ninety (90) days (thirty (30) days if the Optionee was engaged in Investor Relations Activities) following the date the Optionee ceases to be in such role determined by the Board or Committee, in its discretion, not to exceed the original expiry date of such option.

11.2 In the event that the Optionee, shall cease to be a Director, Senior Officer, Employee, Management Company Employee, or Consultant of the Company for termination for cause, the Option shall terminate and shall cease to be exercisable upon such termination for cause.

11.3 In the event of disability or the death of an Optionee, an Option which remains exercisable may be exercised in accordance with its terms by the person or persons to whom such Optionee's rights under the Option shall have passed under the Optionee's will or pursuant to law, for a period not exceeding the earlier of one year from the Optionee's death and the original expiry date of such Option.

12. ADJUSTMENT IN SHARES SUBJECT TO THE PLAN

12.1 Following the date an Option is granted, the exercise price for and the number of Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out in this section 12, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board or Committee, and any such determination will be binding on the Company, the Optionee and all other affected parties.

12.2 If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another company or entity, whether through an arrangement, amalgamation, merger, business combination, sale or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the Option which occurs following such events, for each Optioned Share for which the Option is exercised, the Optionee shall instead receive the number and kind of shares or other securities of the Company or other company into which such Share would have been changed or for which such Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the Option is preserved, and if the Company undertakes an arrangement or is amalgamated, merged

or combined with another company, the Board shall make such other provision for the protection of the rights of Optionees as it shall deem advisable.

12.3 If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another company or entity, in a manner other than as specified in subsection 12.2, then the Board or Committee, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board or Committee in its sole and absolute discretion determines to be equitable to give effect to the principle described in subsection 12.1, and such adjustments shall be effective and binding upon the Company and the Optionee and all the other parties for all purposes.

12.4 The Company, as part of its corporate development, may enter into agreements in the future which may result in the restructuring of its share capital. In that case, the option Exercise Price would be adjusted upward or downward, as the case may be, to reflect the effect upon its issued and outstanding share capital of any such re-organization. The Option Holder however will not have the right to participate in any capital re-organization, restructuring or any capital re-construction which results in any right to acquire securities in any other entity other than the Company resulting from such capital reorganization.

12.5 No adjustment or substitution provided for in this section 12 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.

12.6 The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

12.7 Any adjustment to Options granted or issued under the Plan, other than in connection with a security consolidation or security split, must be subject to the prior acceptance of the TSXV including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

13. NON-ASSIGNABILITY

13.1 The Options under the Plan shall not be assignable or otherwise transferable, except as specifically provided in subsection 11.3 in the event of the death of the Optionee. During the lifetime of the Optionee, all Options may only be exercised by the Optionee.

14. EMPLOYMENT

14.1 Nothing contained in the Plan shall confer upon any Optionee, or any person employing a Management Company Employee, any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or the services of any such person at any time. Participation in the Plan by an Optionee is voluntary.

15. REGULATORY ACCEPTANCES

15.1 The Plan is subject to the acceptance of the Plan for filing by the TSXV, and the Board or Committee is authorized to amend the Plan from time to time in order to comply with any changes required from time to time by such applicable regulatory authorities, whether as conditions to the acceptance for filing of the Plan or otherwise, provided that no such amendment will in any way derogate from the rights held by Optionees holding Options (vested or unvested) at the time thereof without the consent of such Optionees.

15.2 The obligation of the Company to issue and deliver Shares pursuant to the exercise of any Options granted under the Plan is subject to the acceptance of the Plan for filing by the TSXV. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such acceptance for filing, then the obligation of the Company to issue such Shares shall terminate and any amounts paid to the Company for such Shares shall be returned to the Optionee forthwith without interest or deduction.

16. SECURITIES REGULATION AND TAX WITHHOLDING

16.1 Where necessary to enable the Company to use an exemption from requirements to register Shares or file a prospectus or use a registered dealer to distribute Shares under securities laws applicable to the securities of the Company in any jurisdiction, an Optionee, upon the acquisition of any Shares on the exercise of Options and as a condition to such exercise, shall provide to the Board or Committee such evidence as the Board or Committee requires to demonstrate that the Optionee or recipient will acquire such Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, including an undertaking to that effect in a form acceptable to the Board or Committee. The Board or Committee may cause a legend or legends to be placed upon any certificates for the Shares to make appropriate reference to applicable resale restrictions, and the Optionee or recipient shall be bound by such restrictions. The Board or Committee also may take such other action or require such other action or agreement by such Optionee or proposed recipient as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the Shares under any securities laws applicable to the securities of the Company.

16.2 For all purposes of the Plan, the Company may take all such measures as it deems appropriate or necessary to comply with applicable laws, including income tax laws and securities laws and regulations, as well as the rules of regulatory authorities having jurisdiction over the Company or in respect of the securities of the Company.

16.3 The Company shall have the right to deduct and withhold from any amount payable or consideration deliverable to a participant (a "Participant"), either under the Plan or otherwise, such amount or consideration as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the deduction, withholding or remittance of tax or any other required deductions or remittances with respect to awards hereunder ("Withholding Obligations"). The Company shall also have the right in its discretion to satisfy any liability for any Withholding Obligations by withholding and selling, or causing a broker to sell, on behalf of any Participant such number of Shares issued to the Participant pursuant to an exercise of Options hereunder as is sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker and other costs and expenses), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the Participant hereunder. The Company

may require a Participant, as a condition to granting an Option or the exercise of an Option, to make such arrangements as the Company may in its discretion require so that the Company can satisfy applicable Withholding Obligations, including, without limitation (i) requiring the Participant to remit the amount of any such Withholding Obligations to the Company in advance; (ii) requiring the Participant to indemnify and reimburse the Company for any such Withholding Obligations; (iii) withholding and selling Shares acquired by the Participant under the Plan, or causing a broker to sell such Shares on behalf of the Participant, withholding from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations, and remitting such amount directly to the Company; or (iv) any combination thereof.

16.4 Any Shares of a Participant that are sold by the Company, or by a broker engaged by the Company (the "Broker"), to fund Withholding Obligations will be sold as soon as practicable in transactions effected on the exchange on which the common shares of the Company are then listed for trading, if any. In effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating to the manner or timing of such sales, the prices at which the Shares are sold or otherwise. In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring any Shares to a Participant. The sale price of Shares sold on behalf of Participants will fluctuate with the market price of the Company's shares and no assurance can be given that any particular price will be received upon any such sale.

16.5 Issuance, transfer or delivery of certificates for Shares acquired pursuant to the Plan may be delayed, at the discretion of the Board or Committee, until it is satisfied that the requirements of applicable laws and regulations, and applicable rules of regulatory authorities, have been met.

17. AMENDMENT AND TERMINATION OF PLAN

17.1 The Board reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to acceptance of such amendment or amended Plan for filing by the TSXV and, where required by the TSXV, the approval of the shareholders of the Company.

18. NO REPRESENTATION OR WARRANTY

18.1 The Company makes no representation or warranty as to the future market value of any Shares.

19. GENERAL PROVISIONS

19.1 Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements (subject to shareholder approval if such approval is required by TSXV) and such arrangements may be either generally applicable or applicable only in specific cases.

19.2 The validity, construction and effect of the Plan, the grant of Options, the issue of Shares, any rules and regulations relating to the Plan any Option Agreement, and all determinations made and actions taken pursuant to the Plan, shall be governed by and determined in accordance with the laws of the Province of British Columbia.

19.3 If any provision of the Plan or any Option Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person, or Option and the remainder of the Plan and any such Option Agreement shall remain in full force and effect.

19.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Optionee or any other person.

19.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

20. TERM OF THE PLAN

20.1 The Plan shall be effective as of August 24, 2022 subject to its approval by the shareholders of the Company and acceptance for filing by the TSXV pursuant to section 15.

20.2 The Plan shall be effective until the Plan is terminated by the Board pursuant to section 17, and no Option shall be granted under the Plan after that date. Unless otherwise expressly provided in the Plan or in an applicable Option Agreement, the Option Period for any Option granted hereunder will, and any authority of the Board to amend, alter, adjust, suspend, discontinue or terminate any such Option or to waive any conditions or rights under any such Option shall, continue after termination of the Plan notwithstanding such termination.

ELCORA ADVANCED MATERIALS CORP.

Schedule "C"
2022 RSU Plan

(SEE ATTACHED)

ELCORA ADVANCED MATERIALS CORP.

(the "Corporation")

RESTRICTED SHARE UNIT PLAN

Effective August 24, 2022

ARTICLE 1
PURPOSE

Purpose

1.1 The purpose of this Restricted Share Unit Plan is to provide certain Directors, Employees and Consultants of the Corporation and its Related Entities with the opportunity to acquire Restricted Share Units of the Corporation in order to enable them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Corporation's shareholders.

ARTICLE 2
INTERPRETATION

Definitions

2.1 For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

(a) "**Account**" means an account maintained for each Participant on the books of the Corporation that will be credited with RSUs in accordance with the terms of the Plan;

(b) "**Applicable Withholding Amounts**" is defined in Section 4.7(c);

(c) "**Approved Leave of Absence**" means a leave of absence from full time employment with the Corporation or affiliate thereof that is provided for in the policies, plans or regulations of the Corporation or its affiliates or that is approved by management of the Corporation, including, without limitation, maternity and parental leave in accordance with the Corporation's (or its affiliates') policies or plans related to Short-Term Disability or Long-Term Disability;

(d) "**Award**" means a grant of RSUs under the Plan;

(e) "**Award Date**" means a date on which RSUs are awarded to a Participant in accordance with Section 4.1;

(f) "**Award Notice**" means a notice substantially in the form of Schedule A and containing such other terms and conditions relating to an award of RSUs as the Committee may prescribe;

(g) "**Blackout Period**" means the period of 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 RSU;

(h) "**Board**" means the board of directors of the Corporation;

(i) "**Business Day**" means any day other than a Saturday or Sunday on which the Exchange is open for trading;

(j) "**Cause**" means "Just Cause" as defined in the Participant's employment agreement with the Corporation or one of its Related Entities, or if such term is not defined or if the Participant has not entered into an employment agreement with the Corporation or one of its Related Entities, then as such term is defined by applicable law, and shall include, without limitation, the occurrence of one of the following events with respect to the Employee: (i) has materially breached any written agreement between the Participant and the Corporation; (ii) is convicted of a criminal offence relating to duties of the Participant, including any for breach of trust or fraud; (iii) has refused to comply with a lawful order or direction of the Corporation or the Board; (iv) has engaged in negligence or incompetence in carrying out the duties and responsibilities of his or her position in a diligent, professional and efficient manner; or (v) has been involved in any other act, omission, or misconduct which constitutes just cause at common law;

(k) "**Committee**" means the Human Resources and Compensation Committee of the Board or such other committee of the Board as may be appointed by the Board to administer the Plan; provided, however, that if no Human Resources and Compensation Committee is in existence at any particular time and the Board has not appointed another committee of the Board to administer the Plan, all references in the Plan to "Committee" shall at such time be in reference to the Board;

(l) "**Common Shares**" means the common shares in the capital of the Corporation as presently constituted or, in the event of an adjustment contemplated by Section 4.12, such other number or type of securities as the Committee may determine;

(m) "**Consultant**" means an individual or corporation, other than an officer or employee of the Corporation or a Related Entity, that is engaged to provide consulting, technical, management or other services to the Corporation or a Related Entity under a written consulting agreement;

(n) "**Control Change**" means the occurrence of any of:

(i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Corporation or any of its affiliates or subsidiary) thereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the then issued and outstanding voting securities of the Corporation in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Corporation with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation);

(iii) the occurrence of a transaction requiring approval of the Corporation's security holders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Corporation); or

(iv) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

(o) "**Control Change Period**" means the period commencing on the date of occurrence of a Control Change and ending twelve months after that date;

(p) "**Corporation**" means Elcora Advanced Materials Corp. and its successors and assigns;

(q) "**Director**" means a director of the Corporation;

(r) "**Eligible Person**" means a Person entitled to participate in the Plan in accordance with Section 3.2;

(s) "**Employee**" means an officer or employee of the Corporation or a Related Entity of the Corporation, or such Person as may be so designated by the Committee;

(t) "**Exchange**" means the TSX Venture Exchange, the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed for trading, as applicable;

(u) "**Exchange Policies**" means the policies, orders, by-laws or regulations of the Exchange;

(v) "**Expiry Time**" means 4:00 p.m. (Vancouver time) on the last day of the RSU Term;

(w) "**Fair Market Value**" means, at any date, the higher of: (i) the weighted average price per share at which the Common Shares have traded on the Exchange during the last five (5) trading days prior to that date and (ii) the closing price of the Common Shares on the Exchange on the date prior to that date, or, if the Common Shares are not then listed and posted for trading on any stock exchange, then it shall be the fair market value per Common Share as determined by the Board in its sole discretion; and for such purposes, the weighted average price per share at which the Common Shares have traded on the Exchange shall be calculated by dividing (i) the aggregate sale price for all the Common Shares traded on the Exchange during the relevant five trading days by (ii) the aggregate number of Common Shares traded on the Exchange during the relevant five trading days;

(x) "**Good Reason**" means "Good Reason" as defined in the Participant's employment agreement with the Corporation or one of its Related Entities, or if such term is not defined or if the Participant has not entered into an employment agreement with the Corporation or one of its Related Entities, then it means:

(i) without the express written consent of the Participant, the assignment to the Participant of any duties materially inconsistent with the Participant's position, duties and responsibilities with the Corporation immediately prior to such assignment or any removal of the Participant from, or any failure to re-elect the Participant to, material positions, duties and responsibilities with the Corporation;

(ii) a material reduction in total compensation, including annual base salary, incentive compensation, benefits (including pension, life insurance, health and accident benefits) and perquisites the Participant was receiving immediately prior to insolvency or a Control Change; or

(iii) any reason which would be considered to amount to constructive dismissal by a Court of competent jurisdiction;

(y) "**Insider**" means: (i) a Director or senior officer of the Corporation; (ii) a Director or senior officer of a company that is an Insider or subsidiary of the Corporation; (iii) a person that beneficially owns or controls, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation; and (iv) the Corporation itself if it holds any of its own securities;

(z) "**Investor Relations Activities**" has the meaning assigned by Policy 1.1 – *Interpretation* of the TSX Venture Exchange;

(aa) "**Long-Term Disability**" means long term disability as that term is defined in the Corporation's long term disability policy or plans which are applicable to such Participant at the relevant time;

(bb) "**Notice of Acquisition**" means a notice substantially in the form of Schedule B from a Participant to the Corporation giving notice of the exercise of an RSU previously granted to the Participant;

(cc) "**Participant**" means an Eligible Person who has been awarded RSUs under the Plan or to whom RSUs have been transferred in accordance with the Plan;

(dd) "**Payment Amount**" means the amount determined in accordance with Section 4.7(a);

(ee) "**Performance Criteria**" means such corporate and/or personal performance criteria as may be determined by the Committee in respect of the grant and/or vesting of Restricted Share Units to any Participant, which criteria may be applied to either the Corporation and its Related Entities as a whole or a Related Entity individually or in any combination, and measured either in total, incrementally or cumulatively over a calendar year or such other performance period as may be specified by the Committee in its sole discretion, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group;

(ff) "**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

(gg) "**Plan**" means this Restricted Share Unit Plan as amended, restated, supplemented or otherwise modified from time to time;

(hh) "**Related Entity**" means a Person that is controlled by the Corporation;

(ii) "**Restricted RSUs**" has the meaning as set out in Section 4.7(e);

(jj) "**Restricted Share Unit**" or "**RSU**" means a unit equivalent in value to a Common Share, credited by means of a bookkeeping entry on the books of the Corporation in accordance with Article 4;

(kk) "**RSU Term**" means a term during which a Participant may acquire a Common Share for any vested RSUs granted pursuant to the Plan;

(ll) "**Security Based Compensation Arrangements**" means an option to purchase Common Shares, or a plan in respect thereof, or any other compensation or

incentive mechanism involving the issuance or potential issuance of Common Shares to Directors, Employees or Consultants of the Corporation or its Related Entities;

(mm) "**Separation Date**" means the last date on which the Participant is actively with the Corporation without regard to any contractual or common law notice period that might apply to such termination or any period during which the Participant receives termination or severance pay; and for greater certainty, in the event that a Participant is on an Approved Leave of Absence, they shall not be deemed to have ceased to be actively at work or to have ceased to be a full time employee;

(nn) "**Short-Term Disability**" means short term disability as that term is defined in the Corporation's short term disability policy or plans which are applicable to such Participant at the relevant time; and

(oo) "**Vesting Date**" means the date determined in accordance with Section 4.2.

Certain Rules of Interpretation

2.2 (a) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee or the sub-delegate of the Committee, as the case may be.

(b) As used herein, the terms "**Article**" and "**Section**" mean and refer to the specified Article or Section of this Plan.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) Unless otherwise specified, all references to money amounts are to Canadian currency.

(e) A Person (First Person) is considered to "control" another Person (Second Person) if the First Person, directly or indirectly, has the power to direct the management and policies of the Second Person by virtue of:

(i) ownership of or direction over voting securities in the Second Person;

(ii) a written agreement or indenture;

(iii) being the general partner or controlling the general partner of the Second Person; or

(iv) being a trustee of the Second Person.

ARTICLE 3
ADMINISTRATION

Administration of the Plan

3.1 (a) Subject to subsections 3.1(b) and 3.1(c), this Plan will be administered by the Committee and the Committee has sole and complete authority, in its discretion, to:

(i) interpret the Plan and prescribe, modify and rescind rules and regulations relating to the Plan;

(ii) exercise rights reserved to the Corporation under the Plan;

(iii) determine Performance Criteria (if any);

(iv) determine vesting schedules (if any);

(v) prescribe forms for notices to be prescribed by the Corporation under the Plan; and

(vi) make all other determinations and take all other actions as it considers necessary or advisable for the implementation and administration of the Plan.

The Committee's determinations and actions under this Plan are final, conclusive and binding on the Corporation, the Participants and all other Persons.

(b) To the extent permitted by applicable law, the Committee may, from time to time, delegate to any specified officer of the Corporation all or any of the powers of the Committee under the Plan. In such event, the specified officer will exercise the powers delegated to it by the Committee in the manner and on the terms authorized by the Committee. Any decision made or action taken by the Committee or the specified officer arising out of or in connection with the administration or interpretation of this Plan in this context is final, binding and conclusive on the Corporation, any custodian appointed in respect of the Plan, the Participants and all other Persons.

(c) Notwithstanding subsections 3.1(a) and 3.1(b), oversight and ultimate responsibility for the Plan resides with the Board. At any time and from time to time, the Board may, in its discretion, take any action or make any decision that is otherwise delegated to the Committee pursuant to Section 3.1(a).

Eligibility

3.2 All Directors, Employees and Consultants of the Corporation and its Related Entities are eligible to participate in the Plan, but actual participation of any Person is at the discretion of the Committee or the Board. The Corporation reserves the right to restrict

eligibility or otherwise limit the number of Persons eligible for participation in the Plan at any time. Eligibility to participate in the Plan does not confer upon any Person a right to receive an award of RSUs pursuant to the Plan. It shall be the responsibility of the Corporation and the Eligible Person to ensure that such Eligible Person is a *bona fide* Eligible Person. Notwithstanding any other provision of this Plan, Consultants of the Corporation and its Related Entities who are retained to provide Investor Relations Activities are not eligible to participate in the Plan.

Consistency With Other Agreements

3.3 Notwithstanding the general terms and conditions of the Plan and any Award Notice, the terms and conditions of any Award of RSUs granted under this Plan shall, to the greatest extent possible, be made consistent with the terms and conditions of any written agreement between the Corporation and/or a Related Entity on the one hand and the Participant on the other hand, in so far as such agreement provides for the treatment of share incentives. In the event of any conflict between any written employment agreement and this Plan or any Award Notice, the written employment agreement shall govern.

Taxes

3.4 Each Participant shall be solely responsible for personal income tax payable (and any other tax, levy or charge of any description) with respect to participation in the Plan, including with respect to any payment received by the Participant in respect of vested RSUs under the Plan, although the Corporation is authorized to deduct Applicable Withholding Amounts from such payments.

ARTICLE 4
AWARDS OF RESTRICTED SHARE UNITS

Awards of Restricted Share Units

4.1 Subject to the provisions of the Plan and such other terms and conditions as the Committee or the Board may prescribe, the Committee may, from time to time, award RSUs in its discretion to any Eligible Person. RSUs so awarded shall be credited to an Account maintained for each Participant on the books of the Corporation as of the Award Date. The number of RSUs to be credited to each Participant's Account in respect of a fiscal year shall be determined by dividing: (a) the dollar amount of the portion of the Participant's compensation which the Committee, in its sole discretion, determines to be paid as RSUs (including, for greater certainty, such portion of the Participant's compensation which the Participant has elected to be paid as RSUs in advance of an award in accordance with any rules as may be adopted and communicated by the Committee in this regard at its discretion, if the Committee in its discretion determines to do so), by (b) the Fair Market Value per Common Share on the Award Date. Any fractional RSUs resulting from such calculations shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number.

Vesting Period and RSU Term

4.2 Each Award will vest on the dates and/or the satisfaction of the Performance Criteria (each a "**Vesting Date**") specified by the Committee on the Award Date, and reflected in the Award Notice. The RSU Term shall be determined by the Committee on the Award Date, and reflected in the Award Notice and shall not exceed ten years from the Award Date. Each RSU outstanding and all rights thereunder shall expire at the Expiry Time, but shall be subject to earlier termination in accordance with Sections 4.8 and 4.10 of this Plan.

Award Notice

4.3 All Awards of RSUs under Section 4.1 of this Plan will be evidenced by Award Notices. Such Award Notices will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Committee may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Notice to each Participant.

Credits for Dividends

4.4 A Participant's Account shall be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of additional RSUs to be credited to a Participant's Account shall be computed by dividing: (a) the dividends that would have been paid to such Participant if each RSU in the Participant's Account on the relevant dividend record date had been one Common Share, by (b) the Fair Market Value of the Common Shares determined as of the date of payment of such dividend. Any fractional RSUs resulting from such calculation shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number. Any such additional RSUs credited to the Participant's Account shall vest in proportion to and shall be paid under Section 4.6 in the same manner as the RSUs to which they relate. The foregoing does not obligate the Corporation to pay dividends on Common Shares and nothing in this Plan shall be interpreted as creating such an obligation.

Reporting of Restricted Share Units

4.5 Statements of the RSU Accounts will be provided to Participants on an annual basis or made available on an on-going basis by any Plan administrator.

Allotment of Common Shares for Issuance by the Corporation

4.6 The Corporation shall allot for issuance from treasury such number of Common Shares corresponding to the maximum number of Common Shares that may be deliverable to Participants under this Plan.

Acquisition of Vested RSUs

4.7 (a) A Participant or, if Section 4.10 applies, the Participant's estate, who wishes to acquire a Common Share for any vested RSUs may do so by delivering: (i) a completed Notice of Acquisition to the Corporation on or before the Expiry Time; and (ii) a certified cheque or bank draft payable to the Corporation for the Applicable Withholding Amounts (as defined herein) as may be required pursuant to Section 4.7(c), following which the Corporation shall issue, within ten days following receipt of the Notice of Acquisition, and subject to such applicable residual withholding, if any, as the Corporation determines in its discretion should then be imposed to meet related withholding or remittance obligations under applicable law, one Common Share for each RSU in the Participant's Account that the Participant has included on the Notice of Acquisition (the "**Payment Amount**"). In lieu of Common Shares, the Corporation, in its sole discretion, may settle the Payment Amount by a cash payment equal in amount to: (a) the number of Common Shares payable under the Payment Amount; multiplied by (b) the Fair Market Value on the date of receipt of the Notice of Acquisition, subject to such applicable residual withholding, if any, as the Corporation determines in its discretion should then be imposed to meet related withholding or remittance obligations under applicable law. The RSUs in respect of which Common Shares or cash payment are issued shall be cancelled and no further issuances shall be made to the Participant under the Plan in relation to such RSUs.

(b) The Corporation shall register and deliver certificates for such Common Shares to the Participant by first class insured mail, unless the Corporation shall have received alternative instructions from the Participant for the registration and/or delivery of the certificates.

(c) When a Participant is otherwise entitled to receive the Payment Amount, the Corporation shall, as a condition of issuance of the Common Shares or cash payment relating to such Payment Amount, have the right to require the Participant to remit to the Corporation such amount or amounts as the Corporation determines in its discretion should be so remitted in order to satisfy or allow the Corporation to satisfy any federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld and/or remitted with respect to the payment of the Payment Amount or any other taxable event arising as a result of the Plan (the "**Applicable Withholding Amounts**"). At the Corporation's discretion, the Corporation may also choose to require satisfaction of all or any part of the Applicable Withholding Amounts by:

(i) the tendering by the Participant of a cash payment to the Corporation in an amount less than or equal to the Applicable Withholding Amount;

(ii) the withholding by the Corporation from the Common Shares otherwise payable to the Participant such number of Common Shares as it determines to be withheld (including any excess then determined by the Corporation in its discretion) and sold by the Corporation, as trustee, to

satisfy the Applicable Withholding Amount (net of selling costs, which shall be paid by the Participant). The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares; and/or

(iii) the withholding by the Corporation from any cash payment otherwise due to the Participant (for any reason whatsoever) such amount of cash as is less than or equal to the amount of the Applicable Withholding Amount;

provided, however, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is equal to or greater than the Applicable Withholding Amount.

(d) Participants (and their beneficiaries or any other Persons claiming thereby) shall be responsible for all taxes with respect to participation in the Plan, any RSUs granted under the Plan, receipt of a Payment Amount or otherwise, arising in any way whatsoever. The Corporation and the Board make no guarantees or representations to any Person regarding the tax status of the Plan or RSUs, tax treatment of an RSU award or issuances of Common Shares or cash payments made under the Plan, tax impact of any decisions or determinations made by the Committee in the administration of the Plan, or otherwise, and none of the Corporation or any of its directors, officers, employees, representatives or counsel shall have any liability to a Participant with respect thereto.

(e) If the Expiry Time for an RSU falls within any Blackout Period or within ten business days (being a day other than a Saturday, Sunday or other than a day when banks in Vancouver, British Columbia are not generally open for business) following the end of any Blackout Period (the "**Restricted RSUs**"), then the Expiry Time of such Restricted RSUs shall, without any further action, be extended to the date that is ten business days following the end of such Blackout Period notwithstanding any other term of the Plan.

Resignation or Termination

4.8 Notwithstanding Section 4.7, and subject to any express resolution passed by the Committee, if:

(a) a Participant's employment or service with the Corporation or the Related Entity is terminated, whether or not for Cause; or

(b) a Participant resigns from employment or service with the Corporation or a Related Entity,

then

(c) any RSUs granted to the Participant under the Plan which have not yet vested or been deemed to be vested, on or before the Separation Date for the Participant are forfeited and cancelled effective on the Separation Date and shall terminate without payment and shall be of no further force or effect from and after the Separation Date; and

(d) the Participant may, but only within the next 30 days following the Separation Date, deliver a completed Notice of Acquisition to the Corporation to acquire Common Shares for previously vested RSUs (if any) and following such 30 day period, any vested RSUs in respect of which the Participant has not delivered a completed Notice of Acquisition to the Corporation shall be forfeited and cancelled effective at 4:00 p.m. (Vancouver time) on such 30th day and shall terminate without payment and shall be of no further force or effect from and after such time.

Leave of Absence

4.9 In the event a Participant takes a leave of absence other than an Approved Leave of Absence, all RSUs granted to the Participant under the Plan that have not then vested shall terminate and be null and void, subject to the Board's sole and absolute discretion to determine otherwise and applicable law.

Death of Participant

4.10 Notwithstanding Section 4.2, but subject to any express resolution passed by the Committee, upon the death of a Participant, any RSUs granted to the Participant under the Plan which, as of the date of the death of a Participant have not yet vested, shall immediately vest. Notwithstanding Section 4.2, upon the death of a Participant, any RSUs granted to the Participant under the Plan shall be forfeited and cancelled effective at 4:00 p.m. (Vancouver time) on the first year anniversary of the death of the Participant and shall terminated without payment and shall be of no further force or effect from and after such time.

Control Change

4.11 (a) In the circumstances where the Corporation has entered into an agreement relating to, or otherwise becomes aware of, a transaction which, if completed, would result in a Control Change, the Corporation shall give written notice of the proposed transaction to the Participants, together with a description of the effect of such Control Change on outstanding RSUs. Such notice shall be given not less than ten Business Days prior to the closing of the transaction resulting in the Control Change.

(b) Notwithstanding anything else in this Plan or any Award Notice, the Committee may, in connection with a Control Change and at its sole option and without the consent of any Participant:

(i) take such steps as the Committee considers desirable, taking into account any tax consequences to the extent considered relevant by the Committee, to cause the conversion or exchange of any outstanding RSUs into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Committee in its discretion, in any entity participating in or resulting from a Control Change;

(ii) accelerate the vesting of any or all outstanding RSUs to provide that, notwithstanding Section 4.2 or any Award Notice, such outstanding RSUs shall be fully vested upon (or immediately prior to) the completion of the transaction resulting in the Control Change; or

(iii) determine that a Participant who is no longer an Eligible Person as a result of or in anticipation of a Control Change shall continue to be a Participant and Eligible Person for purposes of the Plan, but subject to such terms and conditions, if any, established by the Committee in its sole discretion.

(c) If, before the Vesting Date with respect to any RSUs granted to the Participant under the Plan, the Participant's service as a Director ceases or as an Employee of the Corporation or of a Related Entity is terminated by the Corporation or the Related Entity (or by the Participant as contemplated below in (i)B) in circumstances where such cessation or termination occurs:

(i) subsequent to a Control Change and during the Control Change Period and such cessation or termination was:

A. for any reason whatsoever other than death or termination for Cause; or

B. for Good Reason and the Participant gives notice to the Corporation to that effect and after thirty days the Corporation does not cure the act or omission which constitutes Good Reason; or

(ii) prior to the date on which a Control Change occurs and it is reasonably demonstrated that such termination:

A. was at the request of a third party who has taken steps reasonably calculated to effect a Control Change; or

B. arose in connection with or anticipation of a Control Change,

then the Award shall immediately vest on the Separation Date and the Payment Amount shall be equal to the number of Common Shares determined on the Separation Date multiplied by the number of RSUs in the Participant's Account, net of applicable withholding tax. Notwithstanding the foregoing provisions of this Section 4.11, the Committee may, in its sole and absolute discretion, provide in the Award Notice evidencing the Award a provision to the effect that this

Section 4.11 shall not apply in respect of that Award or shall apply on such modified basis as is expressly set forth in such Award Notice.

Adjustments to Restricted Share Units

4.12 In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution of the Corporation's assets to shareholders (other than the payment of dividends in respect of the Common Shares as contemplated by Section 4.4), the Committee may choose to adjust the Account of each Participant and the RSUs outstanding under the Plan in such manner, if any, as the Committee may in its discretion deem appropriate (taking into account any tax consequences to the extent considered relevant by the Committee) to preserve the Account of each Participant and the RSUs outstanding under the Plan shall be adjusted in such manner, if any, as the Committee may in its discretion deem appropriate to preserve, proportionally, the interests of Participants under the Plan. For greater certainty and notwithstanding any other provision of this Plan, in no event shall a Participant be or become entitled to receive any amount of cash from the Corporation.

Discretion to Permit Vesting

4.13 Notwithstanding anything contained in this Article 4, the Committee may, in its sole discretion, subject to such terms and conditions (if any) established by the Committee in its sole discretion, at any time prior to or following the events contemplated therein, permit:

(a) Persons previously entitled to participate in the Plan to continue to be a Participant for purposes of the Plan;

(b) the vesting or accelerated vesting of any or all RSUs held by a Participant; and

(c) the payment of the Payment Amount in respect of such RSUs in the manner and on the terms authorized by the Committee.

Common Shares Reserved

4.14 The maximum number of Common Shares which may be reserved for issuance under the Plan at any time shall be **15,333,701** Common Shares, subject to adjustment under Section 4.12.

Limits on Issuances

4.15 Notwithstanding any other provision of this Plan, but subject to RSU grants approved by the disinterested shareholders of the Corporation or other requirements of applicable Exchange Policies:

(a) the aggregate number of Common Shares reserved for issuance under the Plan, together with any other Security Based Compensation Arrangements, for Insiders (as a group) at any point in time may not exceed 10% of the issued and outstanding Common Shares from time to time;

(b) the maximum number of RSUs that may be granted to Insiders (as a group) under the Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 10% of the issued and outstanding Common Shares, calculated on the Award Date;

(c) the maximum number of RSUs that may be granted to any one Eligible Person (and companies wholly owned by that Eligible Person) under the Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 5% of the issued and outstanding Common Shares, calculated on the Award Date; and

(d) the maximum number of RSUs that may be granted to any one Consultant under the Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 2% of the issued and outstanding Common Shares, calculated on the Award Date.

The respective limits set out above may be exceeded: (a) if the Common Shares are listed for trading on the TSX Venture Exchange, on a case-by-case basis, upon the approval of the disinterested shareholders of the Corporation; or (b) if the Common Shares are not listed for trading on the TSX Venture Exchange, in accordance with the applicable Exchange Policies.

Status of Terminated RSUs

4.16 For purposes of determining the number of Common Shares that remain available for issuance under the Plan, the number of Common Shares underlying any grants of RSUs that are surrendered, forfeited, waived and/or cancelled shall be added back to the Plan and again be available for future grant, whereas the number of Common Shares underlying any grants of RSUs that are issued upon exercise of RSUs shall not be available for future grant.

ARTICLE 5
GENERAL

Amendment, Suspension or Termination of Plan

5.1 (a) The Committee may from time to time amend or suspend the Plan in whole or in part and may at any time terminate the Plan without prior notice. However, any such amendment, suspension or termination shall not adversely affect the RSUs previously granted to a Participant at the time of such amendment, suspension or termination, without the consent of the affected Participant.

(b) If the Committee suspends or terminates the Plan, no new RSUs will be credited to the account of a Participant; however, previously credited RSUs shall remain

outstanding but shall not be entitled to dividend credits following suspension or termination unless at the time of suspension or termination the Committee determines that the entitlement to dividend credits during suspension or after termination, as applicable, should be continued.

(c) The Committee shall not require the consent of any affected Participant in connection with a termination of the Plan in which the vesting of all RSUs held by the Participant are accelerated and the Payment Amount (less Applicable Withholding Amount) is paid to the Participant in respect of all such RSUs.

(d) The Corporation will be required to obtain the disinterested shareholder approval for any amendment of the Plan related to:

(i) the number or percentage issued and outstanding Common Shares available for grant under the Plan;

(ii) a change in method of calculation of redemption of RSUs held by Eligible Persons; and

(ii) an extension to the term for redemption of RSUs held by Eligible Persons.

(e) The Plan will terminate on the date upon which no further RSUs remain outstanding, provided that such termination is confirmed by a resolution of the Committee.

Compliance with Laws

5.2 The administration of the Plan shall be subject to and made in conformity with all applicable laws and any regulations of a duly constituted regulatory authority. If any provision of the Plan or any RSU contravenes any law or any policy, order, by-law or regulation of any regulatory body or an Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Participant's Entitlement

5.3 Except as otherwise provided in this Plan, RSUs previously granted under this Plan, whether or not then vested, are not affected by any change in the relationship between, or ownership of, the Corporation and a Related Entity. For greater certainty, all RSUs remain valid in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, a Related Entity ceases to be a Related Entity.

Reorganization of the Corporation

5.4 The existence of any RSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Corporation or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or

liquidation of the Corporation, or any amalgamation, combination, merger or consolidation involving the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Costs of Administration

5.5 The Corporation will be responsible for all costs relating to the administration of the Plan except that the participant shall pay all brokerage fees related to their own brokerage account(s) to which Common Shares are delivered pursuant to Section 4.7.

Assignment

5.6 (a) An RSU is personal to the Participant and is non-assignable. No RSU granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Participant, whether voluntarily or by operation of law, otherwise than by testate succession or the laws of descent and distribution, and any attempt to do so will cause such RSU to be null and void. A vested RSU shall be redeemable only by the Participant and, upon the death of a Participant, the person to whom the rights shall have passed by testate succession or by the laws of descent and distribution may redeem any vested RSUs in accordance with the provisions of Article 4.

(b) Rights and obligations under the Plan may be assigned by the Corporation (without the consent of Participants) to a successor in the business of the Corporation, any Corporation resulting from any amalgamation, reorganization, combination, merger or arrangement of the Corporation, or any corporation acquiring all or substantially all of the assets or business of the Corporation.

No Shareholder Rights

5.7 Under no circumstances shall RSUs be considered Common Shares or other securities of the Corporation, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares or other securities of the Corporation, nor shall any Participant be considered the owner of Common Shares by virtue of the Award of RSUs.

Participation is Voluntary; No Additional Rights

5.8 The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or service nor a commitment on the part of the Corporation to ensure the continued employment or service of such Participant. Nothing in this Plan shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in this Plan, or to compensation or damages in lieu of participation, whether upon termination of the Participant's employment or service or otherwise. The Corporation does not assume

responsibility for the personal income tax liability or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

Market Fluctuations

5.9 No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. For greater certainty and notwithstanding any other provision of this Plan, a Participant will in no event be or become entitled to receive any amount of cash from the Corporation in respect of participation in this Plan. The Corporation makes no representations or warranties to Participants with respect to the Plan or the Common Shares whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to accept all risks associated with a decline in the market price of Common Shares.

Participant Information

5.10 Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer to the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian in respect of the Plan and any other third parties in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

Indemnification

5.11 Every director of the Corporation will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the director, otherwise than by the Corporation, for or in respect of any act done or omitted by the director in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

Governing Law

5.12 The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, without regard to principles of conflict of laws.

SCHEDULE "A"

RESTRICTED SHARE UNIT PLAN

FORM OF AWARD NOTICE

To: **[Name]**
[Position]

Elcora Advanced Materials Corp. (the "**Corporation**") hereby grants the following to you in accordance with and subject to the terms, conditions and restrictions of this award notice together with the provisions of the Restricted Share Unit Plan of the Corporation (the "**Plan**") dated **[insert date]**:

Date of Grant:	**[insert date]**
Number of RSUs Awarded:	**[insert number]**
RSU Term/Expiry Time:	**[insert time, not exceeding 10 years from award date]**
Performance Criteria (if any):	**[insert criteria or reference any attached schedule]**

Subject to any acceleration in vesting as provided in the Plan and approved by the Board of Directors, the RSUs granted in this award vest as follows:

% of RSUs Which Vest	**# of RSUs Which Vest**	**Vesting Date**
[insert]%	**[insert]**	**[insert]**
[insert]%	**[insert]**	**[insert]**
[insert]%	**[insert]**	**[insert]**

In order to receive Common Shares representing your Award, complete and deliver a Notice of Acquisition in accordance with the terms of the Plan prior to the Expiry Time or earlier, as required or permitted under the Plan, together with a certified cheque or bank draft payable to the Corporation for the Applicable Withholding Amount as determined by the Corporation.

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Award Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

ELCORA ADVANCED MATERIALS CORP.

By: _____
Authorized Signatory

SCHEDULE "B"

RESTRICTED SHARE UNIT PLAN

FORM OF NOTICE OF ACQUISITION

To: Elcora Advanced Materials Corp. (the "**Corporation**")

From: _____

Please be advised that effective _____, I wish to exercise my Award to acquire _____ Common Shares of the Corporation in accordance with the terms of the Award Notice dated _____ and the Restricted Share Unit Plan of the Corporation (the "**Plan**"). Additionally, I enclose a certified cheque or bank draft in payment of $_____ in respect of an amount equal to the Applicable Withholding Amount for such acquisition of Common Shares.

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Notice of Acquisition and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

Dated _____

Please issue _____ Common Shares registered as follows:

_____

_____

(No. of certificates) _____ (No. of Common Shares) _____

Name _____

Address _____

☐ Cheque attached

_____ _____

(Signature) (Date)

ELCORA ADVANCED MATERIALS CORP.

Schedule "D"
AMENDED BY-LAW NO. 1

(SEE ATTACHED)

ELCORA ADVANCED MATERIALS CORP.

BY-LAW NO. 1

AS AMENDED ON AUGUST 24, 2022

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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 10th 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 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

(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 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 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.

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 depositary or depositaries 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 5% 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.