

PUREPOINT URANIUM GROUP INC.



MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders

To be held at 10:00 am EST on Wednesday, June 29, 2022

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF PUREPOINT URANIUM GROUP INC. (THE “COMPANY”) OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD VIRTUALLY ON WEDNESDAY, JUNE 29, 2022 AT 10:00 A.M. (TORONTO TIME), AND AT ANY ADJOURNMENT OR POSTPONEMENT THEREOF (THE “MEETING”) FOR THE PURPOSES SET OUT HEREIN AND IN THE NOTICE OF MEETING.

Virtual Meeting

The Company has elected to hold the Meeting virtually, allowing Shareholders to attend and participate at the Meeting by dialing into or clicking the link below to a live webcast.

In order to streamline the Meeting process, the Company encourages Shareholders to vote in advance of the Meeting using the voting instruction form or the form of proxy mailed to them with the Meeting materials and submitting them by no later than 10:00 am (Toronto Time) on Tuesday, June 27, 2022, the cut-off time for deposit of proxies prior to the Meeting. Shareholders wishing to attend the Meeting are encouraged to do so by logging into the webcast or calling the number below, and instructions will be provided as to how Shareholders entitled to vote at the Meeting may participate and vote.

Details of the Meeting

Date: June 29, 2022

Time: 10:00 am Eastern Time (UA AND Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83454321151?pwd=U2ZsRFMvNlk2Y2xETmFNbXh2anVpQT09>

Meeting ID: 834 5432 1151

Passcode: 503638

One tap mobile

+15873281099,,83454321151#,,,,*503638# Canada

+16473744685,,83454321151#,,,,*503638# Canada

Dial by your location

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 778 907 2071 Canada

+1 780 666 0144 Canada

+1 204 272 7920 Canada
+1 438 809 7799 Canada
+1 929 205 6099 US (New York)
+1 253 215 8782 US (Tacoma)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)
+1 346 248 7799 US (Houston)
+1 669 900 6833 US (San Jose)

Meeting ID: 834 5432 1151
Passcode: 503638

Find your local number: <https://us02web.zoom.us/j/kiGTGxPks>

Notice & Access

The Company has elected to utilize the notice-and-access system under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Ongoing Requirements for Issuers and Insiders* of the Canadian Securities Administrators (the “**Notice and Access System**”) for delivery of the management proxy circular (the “**Circular**”) to each of the Shareholders whose proxy is solicited for the Meeting. Notwithstanding the use of the Notice and Access System, under the applicable securities and corporate laws, the Company is still required to deliver, and has delivered, paper copies of the notice of meeting (including in which the notice regarding the Company’s election to use the Notice and Access System which directs the Shareholders to the website on which this Circular is posted) (the “**Notice**”) and a form of proxy (the “**Proxy**”) to its shareholders eligible to attend the Meeting. Detailed information relating to the Notice and Access System is contained below under the heading “Notice and Access” and Shareholders are encouraged to read the information contained therein for an explanation of their rights.

In this Circular, “**Common Shares**” means common shares of the Company. “**Shareholder**” means Registered Shareholders and Non-Registered Shareholders. “**Registered Shareholders**” means shareholders of the Company who hold Common Shares in their own names and whose names appear on the register of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means shareholders of the Company who do not hold Common Shares in their own names.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting. It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally or by telephone by the directors, officers and employees of the Company who will not receive any additional compensation for such services. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the Proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** either by inserting such person’s name in the blank space provided in the Proxy or by completing another proper form of proxy and, in either case, delivering the completed Proxy to the Company’s transfer agent, TSX Trust Company (“**TSXT**”), Suite 301, 100

Adelaide Street West, Toronto, Ontario, M5H 4H1, Attn: Proxy Dept., by fax 416-595-9593 or by email at tsxtrustproxyvoting@tmx.com not later than 10:00 a.m., Toronto time, on, June 27, 2022, being 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) preceding the date of the Meeting or any adjournment or postponement thereof. A Proxy must be dated and signed in writing or, subject to the means of electronic signature permitting a reliable determination that the document was created or communicated by or on behalf of the Registered Shareholder or the attorney, as the case may be, by electronic signature by the Registered Shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or, if the Registered Shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized.

Each Registered Shareholder is entitled to appoint a person to represent such shareholder at the Meeting, who need not be one of the persons named in the Proxy or a Shareholder of the Company.

A Proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Registered Shareholder or by his or her attorney authorized in writing, and deposited either at the offices of TSXT or the head office of the Company at 120 Adelaide St. West, Suite 2500, Toronto, Ontario M5H 1T1 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the Proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or adjournment or postponement thereof, or in any other manner permitted by law.

A Registered Shareholder attending the Meeting has the right to vote in person and if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment or postponement thereof.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the Proxy will vote or withhold from voting the Common Shares represented by such Proxy in accordance with instructions of the Registered Shareholder on any ballot that may be called for. If the Registered Shareholder specifies a choice on the Proxy with respect to any matter that may be acted upon, the Common Shares represented by such Proxy will be voted in accordance with the choice so specified. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ITEMS SET OUT IN THE NOTICE CALLING THE MEETING AND AS STATED ELSEWHERE IN THIS MANAGEMENT INFORMATION CIRCULAR.**

The Proxy also confers discretionary authority upon the persons named therein with respect to any amendments or variations to the matter identified in the notice of meeting, and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his or her judgement may determine. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT PRESENTLY KNOWN TO MANAGEMENT OF THE COMPANY SHOULD PROPERLY COME BEFORE THE MEETING, THE PERSONS NAMED IN THE PROXY WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSONS NAMED IN THE PROXY.** As of the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to herein.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders or the persons they appoint as their proxyholders are permitted to vote at the Meeting. However, in many cases, Common Shares of the Company beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Inc.) of which the Intermediary is a participant. The Company is not required to, and does not intend to, deliver the meeting materials directly to its Non-Registered Shareholders. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed copies of the Notice, the Proxy and the voting instructions form (as defined below; together with Notice and Proxy, the “**meeting materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the meeting materials to Non-Registered Shareholders. Notwithstanding the foregoing, the Company is not required to, and does not intend to, pay for an Intermediary to deliver meeting materials to Non-Registered Shareholders who objected to their Intermediary disclosing their ownership information (“**Objecting Beneficial Shareholders**”). As a result, the Objecting Beneficial Shareholders will not receive the meeting materials unless their Intermediary assumes the cost of delivery.

Non-Registered Shareholders receiving the meeting materials will be given, in substitution for the Proxy, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Shareholder. A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Common Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

In any event, Non-Registered Shareholders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

NOTICE AND ACCESS

The Company has elected to utilize the Notice and Access System for delivery of the Circular to each of the Shareholders whose proxy is solicited for the Meeting.

Under the Notice and Access System, instead of delivering a paper copy of the Circular, the Company is permitted to provide its Shareholders with a notice directing them to a website where they can access an electronic copy of the Circular online and vote their shares using their preferred method either through internet or via paper return. The Company anticipates that the Notice and Access System can directly benefit the Company through a substantial reduction in both postage and printing costs, and also promote environmental sustainability by reducing the large volume of paper documents generated by printing proxy related materials. As a corporation existing under the *Canada Business Corporations Act* (the “**CBCA**”), the Company is required to apply for, and has obtained, the requisite approval from Industry

Canada to exempt the Company from the requirement under the CBCA to deliver the prescribed Circular to its Shareholders.

In spite of the use of the Notice and Access System, under the applicable securities and corporate laws, the Company is still required to deliver paper copies of the Notice and the Proxy to its Shareholders eligible to attend the Meeting. In addition, the Company is required to deliver paper copies of the Audited Financial Statements and MD&A to its Registered Shareholders (unless such registered shareholder has informed the Company in writing declining to receive a paper copy of such annual documents) as well as its Non-Registered Shareholders who have submitted a completed supplemental card to the Company or its transfer agent requesting for the delivery of such annual documents.

Website Where the Circular is Posted

The Shareholders can access the Circular for the Meeting on the following website: <https://docs.tsxtrust.com/2309> or by accessing the Company's filings on SEDAR at www.sedar.com.

Requesting Paper Copies of the Circular

The Shareholders may also request paper copies of the Circular to be delivered to them by mail at no cost to them by calling the following toll-free number: 1-866-600-5869 or by emailing to tsxtis@tmx.com. In order for the requesting Shareholder to receive the paper copy in advance of the deadline for submission of voting instructions and the date of the Meeting, the request must be made prior to 4:30 pm (EST) on June 20, 2022. The Shareholders may continue to request a paper copy of the Circular within one year from the date the Circular is filed on SEDAR. In the case of a request received prior to the date of the Meeting, a paper copy of the Circular so requested will be sent free of charge by the Company to the requesting shareholder at the address specified in the request, by first class mail within three business days after receiving the request; in the case of a request received on or after the date of the Meeting, and within one year of the Circular being filed, a paper copy of the Circular will be sent free of charge by the Company to the requesting Shareholder within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

REQUIRED SHAREHOLDER APPROVALS

Unless otherwise noted under "PARTICULARS OF MATTERS TO BE ACTED UPON", all resolutions which the Shareholders will be asked to pass must be approved by a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

In accordance with the provisions of the CBCA, the Company has prepared a list of all persons who are Registered Shareholders as of May 13, 2022 (the "Record Date") and the number of Common Shares registered in the name of each person on such date. Each Shareholder is entitled to one vote for each Common Share registered in such Shareholder's name as it appears on the list except to the extent that such Shareholder has transferred any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the date of the Meeting, that his or her name be included in the list. In such case the transferee is entitled to vote his or her Common Shares at the Meeting.

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value. As of the Record Date, the Company had a total of 368,889,431 Common Shares issued and outstanding, each carrying one vote per Common Share.

To the knowledge of the Company’s directors and executive officers, as at the date hereof, no person or company owns, or controls or directs, directly or indirectly, 10% or more of the Common Shares of the Company other than MM Asset Management Inc. who exercises control and direction over 17,687,430 Common Shares and 37,037,430 Common Share purchase warrants, representing 13.48% of the Company’s issued and outstanding Common Shares on a partially diluted basis.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any such person has any material interest, direct or indirect, by way of of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

I. FINANCIAL STATEMENTS

The Shareholders will receive the audited financial statements of the Company for the financial year ended December 31, 2021, together with the accompanying auditors’ report, copies of which have been mailed to all persons who are Registered Shareholders as of the Record Date or Non-Registered Shareholders who have completed a supplemental card requesting for such mailing.

II. ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the conclusion of the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees. Each director elected will hold office until the conclusion of the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles and bylaws of the Company or the provisions of the CBCA.

The following table sets forth the name of each person proposed to be nominated by management of the Company for election as a director, his principal occupation, business or employment, his current position held with the Company, if any, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned, directly or indirectly, or subject to control or direction, by such person as of the date hereof.

Name and Municipality Of Residence	Director Since	Number Of Common Shares Beneficially Owned or Controlled⁽²⁾	Principal Occupation
Christopher Frostad ⁽¹⁾ President and CEO Toronto, Ontario, Canada	May 30, 2005	3,991,824	President and CEO of the Company

Name and Municipality Of Residence	Director Since	Number Of Common Shares Beneficially Owned or Controlled ⁽²⁾	Principal Occupation
Allan Beach ⁽¹⁾ Toronto, Ontario, Canada	May 30, 2005	4,353,700	Director, Westney Group Inc.
Scott R. Frostad Saskatoon, Saskatchewan, Canada	December 19, 2006	2,090,700	Vice-President, Exploration of the Company
Borys Chabursky ⁽¹⁾ Toronto, Ontario, Canada	April 27, 2015	666,667	Founder and Chairman, Shift Health

Notes:

- (1) Member of the Audit Committee.
- (2) The information as to shares beneficially owned has been furnished and confirmed by the directors individually.

Each of the above individuals is currently a director of the Company and was elected to the present term of office by a vote of the Shareholders at the annual general and special shareholders' meeting held on July 24, 2021, the notice of which was accompanied by an information circular.

Unless a Proxy specifies that the Common Shares it represents are to be withheld from voting for the candidates proposed above, the persons named in Proxy intend to vote for the candidates proposed above. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year. However, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the Proxy have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee at their discretion.

Corporate Cease Trade Orders, Bankruptcies or Penalties

No proposed director, is as at the date hereof, or has been within the 10 years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director is, as at the date hereof, or has been within the past ten years prior to the date of this Circular, a director or executive officer of any company (including the Company) that, while that person

was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No proposed director has, within the past ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

III. RE-APPOINTMENT OF AUDITORS

The Shareholders will be asked to approve the re-appointment of MNP LLP as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorize the board of directors of the Company (the “**Board**”) to fix the remuneration of the auditors for the ensuing year.

Unless a Proxy specifies that the Common Shares it represents are to be withheld from voting for the re-appointment of MNP LLP as the auditors of the Company to hold office until the close of the next annual general meeting of the Company and authorizing the Board to fix the remuneration of the auditors of the Company for the ensuing year, the persons named in the Proxy intend to vote for such re-appointment and authorization.

IV. ANNUAL APPROVAL OF OMNIBUS PLAN

The Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the Company’s new omnibus equity incentive compensation plan (the “**Omnibus Plan**”). On November 24, 2021, the TSX Venture Exchange (the “**TSXV**”) updated its Policy 4.4 – *Security Based Compensation* (the “**New Policy 4.4**”) to allow for various forms of security-based compensation. The Board determined that it is in the best interest of the Corporation to adopt the Omnibus Plan pursuant to terms of the New Policy 4.4 and has approved the Omnibus Plan on May 13, 2022 subject to further approval by the Shareholders. The Omnibus Plan, if approved by the Shareholders at the Meeting and the TSXV, will replace the Company’s existing stock option plan (the “**Stock Option Plan**”) and all of the Options granted under the replaced Stock Option Plan will continue under the Omnibus Plan. A summary of the Omnibus Plan is set out under “SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS”. A copy of the Omnibus Plan is attached as Schedule “B” to this Circular and may be obtained on written request to the Company at 120 Adelaide St. West, Suite 2500, Toronto, Ontario M5H 1T1, Fax: (416) 603-8368.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation, and adoption, with or without modification is set out in Schedule “A” to this Circular. In

order to be effective, this resolution requires the approval of a majority of the votes cast by the Shareholders who vote in respect of the resolution.

Unless a Proxy specifies that the Common Shares it represents are to be voted against the approval of the Omnibus Plan, the persons named in the Proxy intend to vote for such approval.

INFORMATION CONCERNING THE COMPANY

EXECUTIVE COMPENSATION

Summary Compensation Table of Named Executive Officers

The purpose of this section is to describe the compensation of certain Named Executive Officers of the Company in accordance with Form 51-102F6 – *Statement of Executive Compensation* published by the Canadian Securities Administrators. When used in this Circular, “Named Executive Officer” means: (i) each person who acted as the Chief Executive Officer or the Chief Financial Officer of the Company (or in similar capacities thereof) during the most recently completed financial year of the Company; and (ii) the other three most highly compensated executive officers of the Company whose compensation exceeded \$150,000 during the most recently completed financial year of the Company.

As of December 31, 2021, the last day of the most recently completed financial year of the Company, the Company has three Named Executive Officers: Christopher Frostad, President and Chief Executive Officer, Ram Ramachandran, Chief Financial Officer of the Company, and Scott Frostad, VP Exploration of the Company. The following table provides information for the three most recently completed financial years ended December 31, 2021 regarding compensation paid to or earned by each of the Named Executive Officers.

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$) ⁽³⁾	Total Compensation (\$)
					Annual Incentive Plans ⁽²⁾	Long-term Incentive Plans			
Christopher Frostad ⁽⁴⁾ President & CEO	2021	168,450	-	308,750	-	-	-	-	477,200
	2020	120,000	-	28,800	-	-	-	-	148,800
	2019	120,000	-	52,925	-	-	-	-	172,925
Ram Ramachandran Chief Financial Officer	2021	33,000	-	57,000	-	-	-	-	90,000
	2020	33,000	-	2,700	-	-	-	-	35,700
	2019	33,000	-	10,950	-	-	-	-	43,950
Scott Frostad ⁽⁵⁾ VP Exploration	2021	174,615.38	-	308,750	-	-	-	-	483,365.38
	2020	140,000	-	52,925	-	-	-	-	192,925
	2019	140,000	-	34,425	-	-	-	-	174,425

Notes:

- (1) Grant date fair values for 2021, 2020 and 2019 were determined as 2021 - \$0.095, 2020 - \$0.018, and 2019 - \$0.073 per Option, using the Black-Sholes method and following assumptions:

	December 31, 2021	December 31, 2020	December 31, 2019
Risk free interest rate	1.10%	1.20%	2.00%
Expected dividend yield	0%	0%	0%
Expected volatility	128%	137%	157%
Expected life	5 years	5 years	5 years

The Company chose the Black-Scholes method because it is recognized as the most common methodology for valuing options and doing value comparisons.

- (2) Represents bonuses paid in respect of each financial year.
- (3) The aggregate value of all perquisites for each Named Executive Officer does not exceed the lesser of \$50,000 and 10% of his total salary and bonus.
- (4) Christopher Frostad is also a director of the Company. He received the aforementioned salary payments and option-based awards in his capacity as President and Chief Executive Officer of the Company and did not receive any additional compensation for serving as a director of the Company in each of the three most recently completed financial years.
- (5) Scott Frostad is also a director of the Company. He received the aforementioned salary payments and option-based awards in his capacity as VP Exploration of the Company and did not receive any additional compensation for serving as a director of the Company in each of the three most recently completed financial years.

Compensation Discussion and Analysis

The compensation of the directors and officers of the Company is set by the Board. The Board reviews on an annual basis the cash compensation, performance and overall compensation package for each Named Executive Officer.

Executive Compensation Program Objectives

The objectives of the Company's executive compensation program are:

- to attract and retain qualified and experienced executives in order to drive the continued development of the Company and its current and future uranium exploration assets;
- to align the interests of the Company's executives with the interests of the Company's Shareholders;
- to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances; and
- to provide to the Company's executives the compensation packages that are competitive with those received by executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

Elements of Executive Compensation

Compensation for the Company's Named Executive Officers consists of the following elements:

1. fixed compensation in the form of base salary;
2. short-term incentive in the form of annual performance bonus; and

3. long-term equity-based incentive in the form of incentive stock options.

Purpose of Each Compensation Element

Base salary is designed to attract and retain executives by providing reasonable income certainty at a level that is competitive with the base salaries for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

Annual performance bonuses are intended to provide short-term incentives to executives by rewarding them for their yearly individual contribution and achievement of the Company's performance objectives in the context of overall annual corporate performance.

Equity incentive awards are designed to, among other things, motivate executives to achieve longer-term sustainable business results and align their interests with those of the Shareholders, since grantees of equity incentive awards benefit only if the market value of the common shares at the time of stock option exercise is greater than the exercise price of the stock options determined with reference to the market price of the common shares at the time of grant. Consistent with most other junior mining companies who do not have a source of revenues (other than interest from funds on deposit), the Board believes that security-based compensation arrangements are a critical component of the Company's compensation arrangements and are necessary and vital to attracting and retaining key individuals.

Determination of the Amount of Each Compensation Element

Base Salary – Base salaries of the Named Executive Officers are generally negotiated at the time of engagement and set forth in their respective employment or consulting agreements entered into with the Company. Upon engagement, the Named Executive Officers' base salaries are subject to annual review by the Board. The determination of base salaries of Named Executive Officers is based on the assessment of a number of factors such as current competitive market conditions, experience of the Named Executive Officers with other issuers in the industry and factors particular to the Named Executive Officers, including individual performance in the context of the Company's overall performance, the scope of the Named Executive Officer's role with the Company and retention considerations.

Annual Performance Bonus – The granting of annual performance bonuses to the Named Executive Officers will only be made under extraordinary circumstances and is at the discretion of the Board of the Company. The decision of the Board to grant annual performance bonuses is based on the evaluation by the Board of each Named Executive Officer's yearly individual contribution to the achievement of the Company's performance objectives and in the context of the overall annual performance of the Company. The Company is a junior mining company involved in exploration and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Board to be appropriate in the evaluation of the performance of the Named Executive Officers. Instead, effective completion of the Company's exploration work programs within pre-determined budgets, significant exploration discoveries, mineral resource and reserve upgrades, fulfillment of option agreement conditions, successful acquisitions and/or financings required for meeting the Company's objectives and its sustainability and growth are among the key factors for the Board's evaluation of the Named Executive Officers' yearly performance. Other considerations such as working capital level, cash position of the Company and overall market environment are also taken into consideration by the Board in the determination of annual performance bonuses. In respect of the Company's financial year ended December 31, 2021, no bonus was granted to the Named Executive Officers.

Security-based awards – The Company currently has the Stock Option Plan under which incentive stock options are granted to directors, officers, employees and consultants of the Company as an incentive to serve the Company in attaining its goal of improving Shareholder value. Incentive stock options are generally awarded to the Named Executive Officers on an annual basis. The determination of incentive option awards is based on a variety of factors, such as the need to attract or retain key individuals, competitive market conditions and internal equity. The amounts and terms of historical and outstanding awards are taken into account from time to time in the determination of option awards. Options are awarded by the Board in a manner that ensures that the total number of options granted to any particular individual, including previous grants of options, is commensurate with the individual's level of ongoing responsibility and contribution to the Company. All options under the Stock Option Plan vest immediately upon granting. The Board determines at the date of grant of the option the exercise price for each option, in accordance with the policies of the TSXV. On May 13, 2022, the Board determined that it is in the best interest of the Corporation to adopt the Omnibus Plan pursuant to terms of the New Policy 4.4 and approved the Omnibus Plan which remains subject to approval by TSXV and the Shareholders at this Meeting. The Omnibus Plan, if approved by the Shareholders at the Meeting and the TSXV, will replace the Company's existing Stock Option Plan and all of the Options granted under the replaced Stock Option Plan will continue under the Omnibus Plan. A summary of the Omnibus Plan is set out under "SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS".

The allocation of an executive's compensation to the foregoing elements of the executive compensation packages is not based on a formula or comparison to a defined benchmark group, but rather is intended generally to reflect market practices and realities as well as the discretionary assessment by the Board of each Named Executive Officer's past contribution and ability to contribute to future short-term and long-term business results.

Outstanding Option-Based Awards for Named Executive Officers

The following table sets forth all option-based awards of the Company granted to the Named Executive Officers that were granted before, and remain outstanding as of the end of, the financial year ended December 31, 2021. As of the date hereof, the Company has not granted any share-based awards.

Named Executive Officer	Option-Based Awards			
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽²⁾
Christopher Frostad, President & CEO	1,250,000	\$0.095	Dec 29, 2026	\$0
	2,000,000	\$0.13	May 13, 2026	\$0
	1,600,000	\$0.07	April 27, 2025	\$32,000
	725,000	\$0.085	April 23, 2024	\$3,625
	675,000	\$0.06	May 16, 2023	\$20,250
	700,000	\$0.065	July 11, 2022	\$17,500
Ram Ramachandran, CFO	350,000	\$0.095	Dec 26, 2026	\$0
	250,000	\$0.13	May 13, 2026	\$0
	150,000	\$0.07	April 27, 2025	\$3,000
	150,000	\$0.085	April 23, 2024	\$750

Named Executive Officer	Option-Based Awards			
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽²⁾
	150,000	\$0.06	May 16, 2023	\$4,500
	150,000	\$0.065	July 11, 2022	\$3,750
Scott R. Frostad	1,250,000	\$0.095	Dec 29, 2026	\$0
	2,000,000	\$0.13	May 13, 2026	\$0
	1,600,000	\$0.07	April 27, 2025	\$32,000
	725,000	\$0.085	April 23, 2024	\$3,625
	675,000	\$0.06	May 16, 2023	\$20,250
	700,000	\$0.065	July 11, 2022	\$17,500

Notes:

- (1) Options are exercisable for the purchase of Common Shares. The exercise price of all options granted is equal to or greater than the closing price of the Common Shares on the TSXV on the trading day immediately preceding the date of grant in accordance with the terms of the Stock Option Plan.
- (2) The in-the-money value is equal to the number of options multiplied by the difference between the exercise price of the options and \$0.09, the closing trading price of the Common Shares on the TSXV on December 31, 2021.

Value Vested or Earned During the Year for Named Executive Officers

The following table sets forth, in respect of the share-based and option-based awards of the Company granted to the Named Executive Officers that vested during the most recently completed financial year, the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised on the vesting date and the aggregate dollar value realized upon vesting of share-based awards.

Named Executive Officer	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Christopher Frostad, President & CEO	Nil	Nil	Nil
Ram Ramachandran, CFO	Nil	Nil	Nil

Note:

- (1) Based on the difference between the exercise price of the options and the closing trading price of the Common Shares on the TSXV as of the date of vesting.

Significant Terms of Executive Consulting Agreements

The Company has a consulting agreement with Christopher Frostad, President and Chief Executive Officer of the Company. The agreement provides for a monthly fee of \$10,000 and option awards to be

granted at the discretion of the Board. The compensation package is subject to review by the Board on an annual basis and the compensation of Mr. Frostad provided under the agreement may be adjusted at the discretion of the Board. Pursuant to the terms of the consulting agreement, the Company may immediately terminate the agreement for cause by written notice. The Company also has the right to terminate the agreement without cause by providing Mr. Frostad with a six-month notice or six-month cash compensation in lieu of such notice. Mr. Frostad has the right to terminate the agreement for any reason by providing the Company with a two-month notice. Upon termination, stock options owned by Mr. Frostad that would vest during the notice period would vest on the vesting date and stock options that would vest after the notice period would be terminated.

The Company has a consulting agreement with Ram Ramachandran, Chief Financial Officer of the Company, which provides for a base fee of \$33,000 per annum and option awards to be granted at the discretion of the Board.

The management functions of the Company are performed by the executive officers and directors of the Company. As of the date hereof, the Company has not entered into any management contracts with any third parties.

Termination and Change of Control Benefits

In the financial year ended December 31, 2021, the Company did not provide any compensation, monetary or otherwise, to any person who now or previously acted as a Named Executive Officer of the Company, in connection with or related to the retirement, termination or resignation of such person, or as a result of a change of control of the Company.

The Company currently has no contracts, agreements, plans or arrangements that provide for payments to an Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an a Named Executive Officer's responsibilities, other than the six-month severance arrangement for termination without cause provided under the consulting agreement between the Company and Christopher Frostad (See EXECUTIVE COMPENSATION – Significant Terms of Executive Consulting Agreements). For illustrative purposes, if such consulting agreement had been terminated without cause on December 31, 2021, an aggregate amount up to \$95,000 would have been payable to Mr. Frostad depending on the length of the notice period given.

Compensation of Directors

The following table provides details of the compensation for the most recently completed financial year provided to the directors of the Company, other than Christopher Frostad and Scott Frostad who are Named Executive Officers by virtue of being the President and Chief Executive Officer and the VP Exploration of the Company, respectively. The details of the compensation for Chris Frostad and Scott Frostad have been provided under “EXECUTIVE COMPENSATION – Summary Compensation Table for Named Executive Officers”.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Allan Beach	\$10,000	Nil	\$308,750	Nil	Nil	Nil	\$318,750
Borys Chabursky	\$10,000	Nil	\$308,750	Nil	Nil	Nil	\$318,750

Note:

- (1) Please refer to the “EXECUTIVE COMPENSATION – Summary Compensation Table for Named Executive Officers” for a discussion on the determination of grant date fair values.

The Company has not paid any additional compensation to its directors during the financial year ended December 31, 2021. No compensation is paid to the directors of the Company for attendance at board or committee meetings although the Company reimburses all reasonable expenses incurred by directors in performing of their duties.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all option-based awards of the Company granted to the directors (other than Christopher Frostad who is a Named Executive Officer) that were granted before, and remain outstanding as of the end of the most recently completed financial year. The relevant information for Chris Frostad and Scott Frostad has been provided under “EXECUTIVE COMPENSATION - Outstanding Option Based Awards for Named Executive Officers”. As of the date hereof, the Company has not granted any share-based awards to any of its directors.

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽²⁾
Allan Beach	1,250,000	\$0.095	Dec 29, 2026	\$0
	2,000,000	\$0.13	May 13, 2026	\$0
	1,600,000	\$0.07	April 27, 2025	\$32,000
	725,000	\$0.085	April 23, 2024	\$3,625
	675,000	\$0.06	May 16, 2023	\$20,250
	700,000	\$0.065	July 11, 2022	\$17,500
Borys Chabursky	1,250,000	\$0.095	Dec 29, 2026	\$0
	2,000,000	\$0.13	May 13, 2026	\$0
	1,600,000	\$0.07	April 27, 2025	\$32,000
	725,000	\$0.085	April 23, 2024	\$3,625
	675,000	\$0.06	May 16, 2023	\$20,250
	700,000	\$0.065	July 11, 2022	\$17,500

Notes:

- (1) Options are exercisable for the purchase of Common Shares. The exercise price of all options granted is equal to or greater than the closing price of the Common Shares listed on the TSXV on the trading day immediately preceding the date of grant in accordance with the terms of the Stock Option Plan.
- (2) The in-the-money value is equal to the number of options multiplied by the difference between the exercise price of the options and \$0.09, the closing trading price of the Common Shares on the TSXV on December 31, 2021.

Value Vested or Earned During the Year

The following table sets forth, in respect of the share-based and option-based awards of the Company granted to the directors of the Company (other than Christopher Frostad and Scott Frostad who are Named Executive Officers) that vested during the most recently completed financial year, the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised on the vesting date and the aggregate dollar value realized upon vesting of share-based awards. The relevant information for Chris Frostad and Scott Frostad has been provided under “EXECUTIVE COMPENSATION – Value Vested or Earned During the Year for Named Executive Officers”.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Allan Beach	Nil	Nil	Nil
Borys Chabursky	Nil	Nil	Nil

Note:

- (1) Based on the difference between the exercise price of the options and the closing trading price on the TSXV as of the date of vesting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

On May 30, 2005, the Company adopted the Stock Option Plan, which provides that Board may from time to time, in its discretion, and in accordance with the requirements of the TSXV, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance, together with any options issued to Eligible Charitable Organizations, will not exceed 10% of the issued and outstanding Common Shares. Such options will be exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares, the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to persons employed to provide investor relations services will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than 60 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. “**Eligible Charitable Organization**” means: (a) any “Charitable Organization” or “Public Foundation” which is a “Registered Charity”, but is not a “Private Foundation” (as such terms are defined in the *Income Tax Act* (Canada)), or (b) a “Registered National Arts Service Organization” (as such term is defined in the *Income Tax Act* (Canada). As of December 31, 2021, the Company did not have any equity compensation plans other than its Stock Option Plan.

The following table sets out the number of Common Shares reserved for issuance, the weighted average exercise price, and the number of Common Shares remaining for future issuance under the Company's equity compensation plans as of December 31, 2021:

Stock Option Plan Information			
Plan Category	Number of Common Shares to be Issued on the Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under the Stock Option Plan⁽¹⁾
Plans Approved by Shareholders	29,000,000	\$0.09	5,335,111
Plans Not Approved by Shareholders	Nil	N/A	Nil
Total	22,210,000	\$0.09	5,335,111

On May 13, 2022, the Board determined that it is in the best interest of the Corporation to adopt the Omnibus Plan pursuant to terms of the New Policy 4.4 and approved the Omnibus Plan which remains subject to approval by TSXV and the Shareholders at this Meeting. The Omnibus Plan, if approved by the Shareholders at the Meeting and the TSXV, will replace the Company's existing Stock Option Plan and all of the Options granted under the replaced Stock Option Plan will continue under the Omnibus Plan.

Summary of the Omnibus Plan

The principal terms of the Omnibus Plan are summarized below. The summary is qualified in its entirety by the full text of the Omnibus Plan, which is attached to this Circular as Schedule "B".

Overview

The Omnibus Plan will facilitate granting of Common Share purchase options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**") collectively with the RSUs and PSUs, the "**Units**", and collectively with the Options, the "**Awards**"), representing the rights to receive Common Shares and/or cash equivalent, to the *bona fide* eligible directors, officers, employees and consultants of the Company in accordance with the terms of the Omnibus Plan (each such person having been granted an Award being, a "**Participant**"). The following summary is qualified in its entirety by the text of the Omnibus Plan.

The maximum number of Common Shares issuable at any time pursuant to outstanding Awards under the Omnibus Plan will be equal to the following: (i) in respect to grants of Options under the Omnibus Plan, 10% of the total number of Common Shares that are issued and outstanding (the "**Issued Shares**") as of the date of any Option grant, and (ii) in respect to grants of Units under the Omnibus Plan, 36,888,943 Common Shares representing 10% of the Issued Shares of the Company as at the date of this Circular.

Common Shares that are covered by the Awards that have been granted pursuant the Plan shall not be available for subsequent Award grants under the Plan provided that (i) Common Shares covered by Options which have been exercised, and Options which expired or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason, will be available for subsequent Option grants under the Omnibus Plan; and (ii) Common Shares covered by Units which have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no Common Shares have been issued shall be available for subsequent Unit grants under the Omnibus Plan.

The number of Common Shares issuable to insiders, at any time, under all security-based compensation arrangements of the Company, may not exceed 10% of the Issued Shares and the number of Common Shares issued to insiders within any one-year period, under all security based compensation arrangements of the Company, may not exceed 10% of the Issued Shares. The maximum number of Common Shares that may be made issuable pursuant to Awards made to any Participant under the Omnibus Plan together with any other security-based compensation arrangement in any 12-month period shall not exceed 5% of the Issued Shares calculated at the date of grant. The aggregate number of under all security-based compensation arrangements to any one Participant that is a Consultant in any 12-month period must not exceed 2% of the Issued Shares calculated at the date of grant.

Units may not be granted to Persons performing Investor Relations Activities, provided that such Persons may receive Options under the Omnibus Plan. The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed two percent (2%) of the Issued Shares in any 12-month period calculated at the date of grant (and including any Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant and with no more than twenty-five percent (25%) of the Options vesting in any three-month period.

No Award (other than Options) may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be a Participant under the provisions hereof in connection with a change of control, take-over bid, reverse take-over or other similar transaction.

The Omnibus Plan will provide that subject to approval by TSXV, appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of Common Shares, consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Omnibus Plan.

Other than by will or under the law of succession, or as otherwise set forth in the Omnibus Plan, Awards are not assignable or transferable. Awards may only be exercised: (i) by the Participant to whom the Awards were granted; (ii) with the Company's prior written approval and subject to such conditions as the Company may stipulate; (iii) upon the Participant's death, by the legal representative of the Participant's estate; or (iv) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant.

Options

The Board shall determine, at the time of granting an Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in the Omnibus Plan or in the Option agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. The price payable by a Participant to acquire Common Share upon exercising an Option ("**Option Price**") shall be fixed by the Board when such Option is granted, but shall not be less than the closing price of the Common Share on the trading day prior to the Option grant date less any discount permitted by the policies of TSXV.

Should the expiration date for an Option fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black-Out Period, such tenth (10th) business day to be considered the expiration date for such Option for all purposes under the Omnibus Plan. The ten (10) business day period may not be extended

by the Board.

The Board has the discretion to determine the vesting schedule of any Option and the Board shall have the full power and authority to accelerate the vesting or exercisability of all or any portion of any Option. Once a portion of an Option that has vested becomes exercisable, it remains exercisable until expiration of termination of the Option, unless otherwise specified by the Board in connection with the grant of such Option.

The Omnibus Plan permits net exercise of Options by the Participants. Subject to approval by the Board, vested Options (excluding Options held by any Persons performing Investor Relations Activities), may be exercised without the Participant making any cash payment to the Company pursuant to which the Participant receives the number of Common Shares that is equal to the quotient obtained by dividing (i) the product of the number of Options being exercised multiplied by the difference between the volume weighted average trading price of Common Shares for the five trading days immediately prior to the exercise of the Option (“**VWAP**”) and the exercise price of the Options by (ii) the VWAP.

PSU

A PSU is an Award entitling the recipient to receive payment in Common Share and/or cash equivalent once such Award is earned and has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions shall be based upon the achievement of pre-established performance criteria (the “**Performance Criteria**”) over the performance period (the “**Performance Period**”) as well as continuing employment or engagement with the Company.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Participants who may receive PSUs under the Omnibus Plan (ii) fix the number of PSUs, if any, to be granted to such Participant and the date or dates on which such PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria), the whole subject to the terms and conditions prescribed in the Omnibus Plan and in any PSU agreement (the “**PSU Agreement**”).

At the time of granting PSUs, the Board shall determine whether PSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) Common Share issued from treasury for each PSU awarded; (ii) to receive the cash equivalent of one (1) Common Share for each PSU awarded; or (iii) to receive a combination of Common Shares and cash. For each award of PSUs, the Board shall establish the Performance Period in which any Performance Criteria and other vesting conditions, provided that such Performance Period may not expire after the last day of the Unit Restriction Period. For the purposes of the Omnibus Plan, “**Unit Restriction Period**” means the applicable restriction period in respect of a particular PSU or RSU, which period shall end on the Business Day preceding December 31 of the calendar year which is three (3) years after the calendar year in which the PSU or RSU is granted, or such shorter period as may be determined by the Board at the time the PSU or RSU is granted. The Board shall also establish the vesting determination date for PSUs (the “**PSU Vesting Determination Date**”) upon which the Board determines if the Performance Criteria and all other vesting conditions with respect to a PSU have been met or have been waived or deemed satisfied by the Board in its sole discretion, and as a result, establishes the number of PSUs that become vested, if any.

Except as otherwise provided in the PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period of the awarded PSUs are satisfied, all of the vested PSUs covered by a particular grant to a Participant who is not a U.S. Participant may, be settled at on any day (each such day being a “**PSU Settlement Date**”) beginning on the PSUs Vesting Determination Date and ending on or before the last day of the Unit Restriction Period by delivering a settlement notice (the “**Unit**

Settlement Notice”) in respect of any or all vested PSUs held by such Participant. PSUs of a U.S. Participant will be settled by the Company on or before March 15th of the year immediately following the calendar year in which the PSU Vesting Determination Date occurred. The U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled; and (b) any vested PSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit Restriction Period shall be automatically settled on the last day of the Unit Restriction Period.

RSU

A RSU is an Award granted for services rendered in a particular year entitling the recipient to receive payment based on the value of one Common Share once such Award has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Company.

Unless otherwise set forth in a RSU agreement (a “**RSU Agreement**”), each RSU shall vest as to 1/3 on each of the first, second and third anniversary of the date of grant provided the Participant remains in continuous service with the Company from the date of grant of the RSU through such vesting date (the “**RSU Vesting Date**”). Notwithstanding the foregoing, if the Board in its discretion waives all vesting conditions or deems them satisfied, the date of such determination by the Board will be the RSU Vesting Date provided such date shall not be sooner than one year from the date of the RSU grant. Subject to the vesting and other conditions and provisions set forth in the Omnibus Plan and in a RSU Agreement, the Board shall determine whether RSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) Common Share issued from treasury for each RSU awarded; (ii) to receive the cash equivalent of one (1) Common Share for each RSU awarded; or (iii) to receive a combination of Common Shares and cash.

RSUs of a Participant who is not a U.S. Participant shall be settled by the Participant at any time beginning on the first Business Day following the RSU Vesting Date but no later than the last day of the Unit Restriction Period. RSUs of a U.S. Participant will be settled by the Company on or before March 15th of the year immediately following the calendar year in which the RSU Vesting Date occurred. The U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled.

Notwithstanding any other provision of the Omnibus Plan, in the event that a RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Company and the Participant or U.S. Participant has not delivered a Unit Settlement Notice, then such RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the present or former directors, proposed nominees or senior officers of the Company or their respective associates or affiliates are, were or have been indebted to the Company or subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, at any time since the beginning of the last completed financial year of the Company and as at the date hereof.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) adopted by the Canadian securities regulatory authorities requires that, if management of any issuer solicits proxies from its security holders for the purpose of electing directors, certain disclosure of its corporate governance practices must be included in its management information circular.

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines. However, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development. Therefore, certain guidelines under NP 58-201 have not been adopted. The Company will continue to review and implement the corporate governance guidelines set out in NP 58-201 as the business of the Company progresses.

The Board of Directors

Independence of the Board of Directors

Two of the four current members of the Board, Allan Beach and Borys Chabursky are independent within the meaning of NI 58-101. Christopher Frostad and Scott Frostad are considered to be not independent because they are officers of the Company.

To help ensure the functioning of the Board independently of management, the independent directors hold informal meetings at which members of management are not present. In addition, the compensation of the officers of the Company is considered in their absence by the independent members of the Board at least once a year.

Directorship with Other Reporting Issuers

Name of Director	Name of other Reporting Issuers
Borys Chabursky	Acerus Pharmaceuticals Corp.

Orientation and Continuing Education

The Board does not have a formal program for the orientation and education of new members. New members are briefed on their responsibilities by other directors of the Company. When a person joins the Board, he or she will be given the opportunity to become familiar with the Company by meeting with the other directors of the Company and with the officers and representatives of the Company. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of the individual director.

Ethical Business Conduct

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. While both the management of the Company and the Board are committed to ensuring the ethical operation of the Company’s business, the Company does not at present have a formal code of ethics.

Nomination of Directors

The Board does not at present have a formal policy for the nomination of new directors. The recruitment of new directors, when required, will be based on recommendations made by incumbent members of the Board and the Shareholders. Prior to standing for election, new nominees to the Board will be reviewed by the incumbent Board to ensure that they have adequate knowledge of corporate governance and experience in acting as director of reporting issuers in the junior mining sector.

Compensation

The Board sets compensation for the directors and officers of the Company. See “EXECUTIVE COMPENSATION – Compensation Discussion and Analysis”.

Committees of the Board of Directors

The Board currently has one standing committee, namely the Audit Committee. The Audit Committee is composed of a majority of members who are independent of the Company within the meaning of NI 58-101 (see “AUDIT COMMITTEE”). The Company does not have an Executive Committee or Corporate Governance Committee. Such functions are carried out by the Board.

Assessments

Due to the small size of the Board, there is no formal process for evaluating the effectiveness of the Board, its committee and management. Management reports to the Board and evaluation of management’s performance takes place informally at the meetings of the Board or in informal meetings by the independent directors.

Director Term Limits

The Company currently has not adopted a policy with respect to the term limits for directors. While term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deep knowledge and understanding of the Company over time. The Board does not believe that long tenure impairs a director’s ability to act independently of management.

Diversity and Inclusion

The Company’s senior management and members of the Board have varying backgrounds and expertise and were selected on the belief that the Company and its stakeholders would benefit from such a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted any specific target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, “**member of a designated group**”) on the Board or in senior management roles.

The Company has not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and Board levels’ informally through the recruitment efforts of Management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of the many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most

qualified individuals. As of the date of this Circular, the CFO of the Company is a member of a designated group.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Company's Audit Committee Charter is set out in Schedule "C" hereto.

Composition of the Audit Committee

The Audit Committee of the Company is currently comprised of Christopher Frostad, Allan Beach and Borys Chabursky. Mr. Chabursky is the Chairman of the Audit Committee. Each of the members of the Audit Committee is considered to be financially literate.

Allan Beach and Borys Chabursky are considered to be independent members of the Audit Committee. This determination was made by the Board upon inquiry of their activities and relationship with the Company.

Relevant Education and Experience

Borys Chabursky is the founder and Chairman of Shift Health, a consultancy in the life sciences sector. Mr. Chabursky is also the Chairman of SHI Capital, an advisory company, and President of SHI Ventures, a vehicle through which he has invested as an angel in healthcare and life sciences, mining and food and beverage companies. He specializes in strategic planning, capital sourcing and business development. He has acquired the requisite financial literacy and experience to adequately carry out his duties as a member of the Audit Committee through his career founding, investing, managing and advising various start-up companies.

Christopher Frostad has spent over 35 years working with and building a variety of high growth, early stage companies (both private and public). Prior to co-founding the Company's predecessor Purepoint Uranium Corporation, Mr. Frostad was the CEO-in-Residence of a Toronto-based Venture Capital firm where he led or worked with portfolio companies focusing on a variety of responsibilities including corporate finance, mergers & acquisitions, sales strategy, product development and marketing. He holds an Honors Bachelor of Business Administration Degree from Wilfrid Laurier University and is a member of the Ontario Institute of Chartered Accountants.

Allan Beach currently serves as a director of Westney Group Inc., a private equity firm. Prior to joining Westney Group Inc., Mr. Beach was counsel at one of Canada's largest national law firms, specializing in the equity and debt financing of corporations, partnerships, limited partnerships, co-ventures and other projects and entities, by way of both private placement and public offering, with particular experience in venture capital corporations, flow-through share offerings and other government incentive financing.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there have been no recommendations of the Audit Committee that the Board of the Company has not adopted.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial period has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of National Instrument 52-110 – *Audit Committees* ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Services Fees

The following table sets out the aggregate fees billed by the Company's external auditors in each of the last two financial years.

Category of Fees	Year Ended December 31, 2021	Year Ended December 31, 2020
Audit Fees ⁽¹⁾	\$41,000	\$28,000
Audit-Related Fees ⁽²⁾	\$2,730	\$350
Tax Fees ⁽³⁾	\$2,750	\$2,750
All Other Fees ⁽⁴⁾	-	-
Total	\$46,480	\$29,500

Notes:

"**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements and includes the fees of the Company's auditors. Audit fees also include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

"**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services 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.

"**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. 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.

"**All Other Fees**" include all other non-audit service.

Reliance on Exemption for Venture Issuers

The Company is a "venture issuer" as the Common Shares are listed for trading on the TSXV. As such, the Company is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) based on the exemption for venture issuers contained in section 6.1 of NI 52-110.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditor is MNP LLP. The Company's transfer agent and registrar is TSXT Trust Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% Shareholder. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the financial year ended December 31, 2021, or has any interest in any material transaction in the current year other than as set out herein.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") and can be accessed on the internet at www.sedar.com.

Financial information is provided in the Company's comparative financial statements and management discussion and analysis ("**MD&A**") for its most recently completed financial year. The Shareholders may request copies of such financial statements and MD&A by mailing a request to Purepoint Uranium Group Inc. at 120 Adelaide St. West, Suite 2500, Toronto, Ontario M5H 1T1.

DIRECTORS' APPROVAL

The contents and sending of this Circular have been approved by the directors of the Company.

DATED the 13th day of May, 2022.

(Signed) "Christopher Frostad"

Christopher Frostad
President and Chief Executive Officer

SCHEDULE “A”

RESOLUTION TO APPROVE THE COMPANY’S STOCK OPTION PLAN

RESOLVED as an ordinary resolution of the Shareholders that:

1. subject to acceptance by TSXV, the omnibus equity incentive compensation plan (the “**Omnibus Plan**”) attached as Schedule “B” to the management information circular of the Company dated May 13, 2022, replacing the Company’s existing stock option plan, is hereby approved, confirmed and ratified;
2. the number of Common Shares of the Company that are issuable pursuant to the Omnibus Plan are hereby allotted, set aside and reserved for issuance pursuant thereto;
3. any director or officer of the Company is hereby authorized to amend the Omnibus Plan should such amendments be required to satisfy the requirements or requests of the TSXV or any other regulatory authorities without requiring further approval of the Shareholders; and
4. any director or officer is hereby authorized to execute and deliver all such agreements, certificates, instruments, documents and other writings and perform such acts as may be necessary in order to give effect to foregoing resolution and the Board, from time to time, is hereby authorized to grant the Awards (as defined in the Omnibus Plan) in accordance with the provisions of the Omnibus Plan and the policies of the TSXV.

SCHEDULE "B"
OMNIBUS PLAN

Please see attached.

PUREPOINT URANIUM GROUP INC.

OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS	1
1.1 DEFINITIONS	1
ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS	5
2.1 PURPOSE OF THE PLAN	5
2.2 IMPLEMENTATION AND ADMINISTRATION OF THE PLAN	5
2.3 ELIGIBLE PARTICIPANTS	6
2.4 SHARES SUBJECT TO THE PLAN.....	6
2.5 GRANTING OF AWARDS.....	7
2.6 LIMITS WITH RESPECT TO AWARDS, INSIDERS, INDIVIDUAL LIMITS AND ANNUAL GRANT LIMITS.....	8
ARTICLE 3 OPTIONS	8
3.1 NATURE OF OPTIONS	8
3.2 OPTION AWARDS	9
3.3 OPTION PRICE	9
3.4 OPTION TERM AND VESTING.....	9
3.5 EXERCISE OF OPTIONS	9
3.6 METHOD OF EXERCISE AND PAYMENT OF PURCHASE PRICE.....	10
3.7 OPTION AGREEMENTS.....	11
ARTICLE 4 PERFORMANCE SHARE UNITS	11
4.1 NATURE OF PSU.....	11
4.2 PSU AWARDS	11
4.3 PERFORMANCE CRITERIA AND PERFORMANCE PERIOD.....	12
4.4 PSU VESTING DETERMINATION DATE.....	12
4.5 SETTLEMENT OF PSUs	12
4.6 DETERMINATION OF AMOUNTS.....	13
4.7 PSU AGREEMENTS	14
ARTICLE 5 RESTRICTED SHARE UNITS	14
5.1 NATURE OF RSUs	14
5.2 RSU AWARDS.....	14
5.3 SETTLEMENT OF RSUs	15
5.4 DETERMINATION OF AMOUNTS.....	16
5.5 RSU AGREEMENTS	16
ARTICLE 6 GENERAL CONDITIONS	16
6.1 GENERAL CONDITIONS APPLICABLE TO AWARDS.	16
6.2 ADDITIONAL CONDITIONS APPLICABLE TO AWARDS	17
6.3 UNFUNDED PLAN.....	18
6.4 U.S. SECURITIES LAWS	19
ARTICLE 7 ADJUSTMENTS AND AMENDMENTS	19
7.1 ADJUSTMENT TO COMMON SHARES SUBJECT TO OUTSTANDING AWARDS.....	19
7.2 AMENDMENT OR DISCONTINUANCE OF THE PLAN	19
7.3 CHANGE OF CONTROL.....	21
7.4 SETTLEMENT OF RSUs AND PSUs DURING A BLACK-OUT PERIOD.....	22
ARTICLE 8 MISCELLANEOUS	22
8.1 USE OF AN ADMINISTRATIVE AGENT AND TRUSTEE.....	22
8.2 TAX WITHHOLDING	23

8.3 REORGANIZATION OF THE CORPORATION23
8.4 GOVERNING LAWS23
8.5 SEVERABILITY23
8.6 EFFECTIVE DATE OF THE PLAN23

**PUREPOINT URANIUM GROUP INC.
OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN**

Purepoint Uranium Group Inc. (the “**Corporation**”) hereby establishes an Omnibus Equity Incentive Compensation Plan for certain eligible directors, officers, employees and Consultants (as defined herein) providing ongoing services to the Corporation and any Subsidiary (as defined herein).

**ARTICLE 1
DEFINITIONS**

1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Awards**” means Options, PSUs and RSUs granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons designated by the Corporation;

“**Board**” means the Board of Directors of the Corporation;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, that is a Trading Day and a day when banks are generally open for business in Toronto, Ontario, Canada, for the transaction of banking business;

“**Cash Equivalent**” means (i) with respect to PSUs, the amount of money equal to the Market Value multiplied by the number of vested PSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 8.2, on the applicable PSU Settlement Date, and (ii) with respect to RSUs, the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 8.2, on the applicable RSU Settlement Date;

“**CBCA**” means the Canada Business Corporations Act;

“**Change of Control**” shall mean (i) the sale of all or substantially all of the assets of the Corporation on a consolidated basis, in one transaction or a series of related transactions, to a Person that is not a Subsidiary, (ii) a merger, reorganization, acquisition or consolidation pursuant to which a Person, or any associate or affiliated corporation of such Person hereafter acquires the direct or indirect “beneficial ownership” (as defined in the CBCA) of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities, (iii) a transaction pursuant to which the Corporation goes out of existence, (iv) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Subsidiaries prior to such event; or (v) the occurrence of a transaction requiring approval of the Corporation’s shareholders involving the acquisition of the Corporation by an entity through purchase of assets, by amalgamation, arrangement or otherwise;

“**Code**” means the United States Internal Revenue Code of 1986, as amended;

“**Committee**” means the Compensation Committee of the Board, or such other committee of the Board as the Board may determine from time to time;

“**Common Shares**” means common shares in the capital of the Corporation;

“**Consultant**” means a Person, other than an employee, executive officer or director of the Corporation or a Subsidiary, that provides ongoing *bona fide* services to the Corporation or a Subsidiary pursuant to a written contract between the Corporation or the Subsidiary and the Person, other than services provided in relation to a distribution or in connection with the offer or sale of securities in a capital-raising transaction, and does not directly or indirectly promote or maintain a market for the Corporation’s securities, and who (i) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary, and (ii) has a relationship with the Corporation or a Subsidiary that enables them to be knowledgeable about the business and affairs of the Corporation;

“**Discounted Market Price**” has the meaning ascribed thereto in Policy 1.1 of the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

“**Disability**” means the circumstance whereby the Participant is permanently or substantially incapacitated so as to be prevented from properly and continuously performing in full his/her duties to the Corporation for a substantially continuous period of four months or more or for a cumulative six-month period in any consecutive 12-month period;

“**Eligible Participants**” has the meaning ascribed thereto in Section 2.3.1;

“**Employment Agreement**” means, with respect to any Participant, any written agreement regarding a Participant’s employment or engagement with the Corporation or a Subsidiary and that is between the Corporation or a Subsidiary and such Participant;

“**Exchange**” means the TSXV or, if the Common Shares are not listed on the TSXV, the stock exchange on which the Common Shares are then principally listed from time to time;

“**Exercise Notice**” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“**Grant Agreement**” means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a PSU Agreement and a RSU Agreement;

“**Insider**” has the meaning ascribed thereto in the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

“**Investor Relations Activities**” has the meaning ascribed thereto in the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

“**Issued Shares**” means the total number of Common Shares that are issued and outstanding;

“**Market Value**” means, (A) if the Common Shares of the Corporation are listed on an Exchange,

(i) with respect to Options, at any date when the market value of Common Shares of the Corporation is to be determined, the closing price of the Common Shares on the Trading Day prior to such date on the Exchange less any discount permitted by the rules or policies of the Exchange and approved by the Board, provided that after giving effect to such discount, the Market Value shall not be lower than the Discounted Market Price, and no such discount will be permitted with respect to Options awarded to U.S. Participants, and (ii) with respect to Units, the volume weighted average trading price of the Common Shares on the Exchange for the five trading days preceding the date on which the Market Value is to be determined less any discount permitted by the rules or policies of the Exchange and approved by the Board, provided that after giving effect to such discount, the Market Value shall not be lower than the Discounted Market Price, or, (B) if the Common Shares of the Corporation are not listed on any Exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

“**Option**” means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Common Shares from treasury at the Option Price, but subject to the provisions hereof;

“**Option Agreement**” means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 3.7;

“**Option Price**” has the meaning ascribed thereto in Section 3.2;

“**Option Term**” has the meaning ascribed thereto in Section 3.4;

“**Participants**” means Eligible Participants that are granted Awards under the Plan;

“**Participant’s Account**” means an account maintained for each Participant’s participation in PSUs and/or RSUs under the Plan;

“**Performance Criteria**” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Subsidiaries, and that may be used to determine the vesting of the Awards, when applicable;

“**Performance Period**” means the period determined by the Board pursuant to Section 5.3.1;

“**Person**” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“**Plan**” means this Omnibus Equity Incentive Compensation Plan, as amended and/or restated from time to time;

“**Prior Plan**” means the Corporation’s previously established stock option plan which was initially adopted by the Company on May 30, 2005 which has been replaced by the Plan;

“**PSU**” means a performance share unit which provides a right to a Participant to receive payment in the form of Common Shares and/or Cash Equivalent as provided in Article 4 and subject to the terms and conditions of this Plan;

“**PSU Agreement**” means a written letter agreement between the Corporation and a Participant evidencing the grant of PSUs and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 4.7;

“**PSU Settlement Date**” has the meaning determined in Section 4.5.1(a);

“**PSU Vesting Determination Date**” has the meaning ascribed thereto in Section 4.4;

“**RSU**” means a restricted share unit which provides a right to a Participant to receive a payment in the form of Common Shares and/or Cash Equivalent as provided in Article 5 and subject to the terms and conditions of this Plan;

“**RSU Agreement**” means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 5.5;

“**RSU Settlement Date**” has the meaning determined in Section 5.3.1(a);

“**RSU Vesting Date**” has the meaning ascribed thereto in Section 5.2.2;

“**Security-Based Compensation Arrangement**” a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares from treasury, including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

“**Subsidiary**” has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

“**Surrender**” has the meaning ascribed thereto in Section 3.6.2;

“**Surrender Notice**” has the meaning ascribed thereto in Section 3.6.2;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Participant;

“**Trading Day**” means any day on which the Exchange is opened for trading;

“**TSXV**” means the TSX Venture Exchange;

“**Unit**” means a RSU or a PSU;

“**Unit Restriction Period**” means, subject to Section 7.3.1, the applicable restriction period in respect of a particular PSU or RSU, which period shall end on the Business Day preceding December 31 of the calendar year which is three (3) years after the calendar year in which the PSU or RSU is granted, or such shorter period as may be determined by the Board at the time the PSU or RSU is granted;

“**Unit Settlement Notice**” means a notice by a Participant to the Corporation electing to settle vested Units;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

“**U.S. Awardee**” means a Participant who is granted an Award pursuant to this Plan who is a “U.S. person” (within the meaning of Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States;

“**U.S. Participant**” means a Participant who is subject to income taxation under the Code with respect to his or her Awards under the Plan;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder; and

“**VWAP**” means the volume weighted average trading price of the Listed Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five (5) Trading Days immediately preceding the exercise of the subject Option.

ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

2.1 Purpose of the Plan

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the purposes of securing for the Corporation and its shareholders the benefits of incentive interest in Common Share ownership by the Eligible Participants.

2.2 Implementation and Administration of the Plan

The Plan is under the direction of the Board. The Committee makes recommendations to the Board in relation to the Plan and to the grants of Awards.

2.2.1 The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the Exchange. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan, as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.

2.2.2 The Board may modify the terms and conditions of any Awards granted to Participants outside of Canada to comply with applicable foreign laws, and establish subplans and addendums and modify settlement procedures and other terms and procedures, to the extent the Board determines such actions to be necessary or advisable (and such subplans and addendums and/or modifications shall be attached to this Plan as addendums).

- 2.2.3 No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- 2.2.4 Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.

2.3 Eligible Participants

- 2.3.1 The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the directors, officers and employees of the Corporation or a Subsidiary, as well as Consultants providing ongoing services to the Corporation or its Subsidiaries, as determined by the Board from time to time, in its sole discretion. For greater certainty, a Person whose employment or engagement with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such Person, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant’s employment or engagement initiated by the Corporation or the Subsidiary.
- 2.3.2 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s employment or engagement with the Corporation.
- 2.3.3 Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation or a Subsidiary to the Participant or the commencement, extension, continuation or modification of any engagement between the Corporation or a Subsidiary and the Participant.
- 2.3.4 A Participant shall have no rights as a shareholder of the Corporation with respect to any Common Shares underlying his or her Awards until he or she shall have become the holder of record of such Common Shares.
- 2.3.5 For Awards granted or issued to any Participant who is a director, officer, employee or Consultant of the Corporation, the Corporation and such Participant are responsible for ensuring that the Participant is a bona fide employee or Consultant of the Corporation, as the case may be.

2.4 Shares Subject to the Plan

- 2.4.1 Subject to adjustment pursuant to the provisions of Article 7, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares.
- 2.4.2 The maximum number of Common Shares issuable at any time pursuant to outstanding Awards under this Plan (including the Options granted under the Prior Plan that are vested and unexercised and continued under this Plan pursuant to Section 2.4.6 hereof) shall be equal to the following:

- (a) in respect to grants of Options under this Plan, 10% of the total number of the Issued Shares as of the date of any Option grant; and
 - (b) in respect to grants of RSUs and PSUs under this Plan, 36,888,943 Common Shares, representing 10% of the Issued Shares of the Corporation as at the date this Plan was approved by the Board.
- 2.4.3 No Award that can be settled in Common Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Common Shares subject to such Award to exceed the above noted total numbers of Common Shares reserved for issuance pursuant to the settlement of Awards.
- 2.4.4 Common Shares of the Corporation that are covered by the Awards that have been granted pursuant the Plan shall not be available for subsequent Award grants under the Plan provided that:
 - (a) Common Shares of the Corporation covered by Options which have been exercised, and Options which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason, will be available for subsequent Option grants under the Plan; and
 - (b) Common Shares of the Corporation covered by Units which have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no Common Shares have been issued shall be available for subsequent Unit grants under the Plan.
- 2.4.5 Options granted pursuant to the Prior Plan shall continue in full force and effect in accordance with their existing terms under the Plan.

2.5 Granting of Awards

- 2.5.1 Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Common Shares subject to such Award, if applicable, upon any securities exchange (including the Exchange) or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange (including the Exchange) or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Common Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- 2.5.2 Any Award granted under the Plan shall be subject to the requirement that, the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States unless registration or an exemption from registration is available.

2.5.3 The Board or the Committee shall not grant any Awards that may be denominated or settled in Common Shares to residents of the United States unless such Awards and the Common Shares issuable upon exercise or settlement thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

2.6 Limits with Respect to Awards, Insiders, Individual Limits and Annual Grant Limits

2.6.1 The maximum number of Awards issuable to Insiders under the Plan, when combined with all of the Corporation's other Security-Based Compensation Arrangements (if any):

(a) within a 12-month period, cannot exceed ten percent (10%) of the Issued Shares at the date an Award is granted to any Insider; and

(b) cannot, at any point in time, exceed ten percent (10%) of the Issued Shares;

unless the approval of the disinterested shareholders of the Corporation is obtained.

2.6.2 The maximum number of Common Shares that may be made issuable pursuant to Awards made to any Eligible Participant under the Plan together with any other Security-Based Compensation Arrangement in any 12-month period shall not exceed five percent (5%) of the Issued Shares calculated at the date of grant.

2.6.3 The aggregate number of Awards granted to any one Eligible Participant that is a Consultant of the Corporation in any 12-month period must not exceed two percent (2%) of the Issued Shares calculated at the date of grant.

2.6.4 Units may not be granted to Persons performing Investor Relations Activities, provided that such Persons may receive Options under this Plan. The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed two percent (2%) of the Issued Shares in any 12-month period calculated at the date of grant (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant and with no more than twenty-five percent (25%) of the Options vesting in any three-month period notwithstanding any other provision of this Plan.

2.6.5 No Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.

ARTICLE 3 OPTIONS

3.1 Nature of Options

An Option is an option granted by the Corporation to a Participant entitling such Participant to

acquire, for each Option issued, one Common Share from treasury at the Option Price, subject to the provisions hereof.

3.2 Option Awards

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Common Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions (including Performance Criteria, if applicable) and Option Term, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Exchange.

3.3 Option Price

The Option Price shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of the Common Shares on the trading day immediately preceding the date of the granting of the Option.

3.4 Option Term and Vesting

- 3.4.1 The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable (“**Option Term**”), commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- 3.4.2 Should the expiration date for an Option fall within a Black-Out Period, then such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 7.2, the ten (10) Business Day-period referred to in this Section 3.4 may not be extended by the Board.
- 3.4.3 Unless otherwise specified by the Board at the time of any Option grant and except as otherwise provided in this Plan, Options granted under this Plan shall vest and be exercisable immediately upon grant.
- 3.4.4 Once a portion of an Option that has vested becomes exercisable in accordance with Section 3.5, it remains exercisable until expiration or termination of the Option, unless otherwise specified by the Board in connection with the grant of such Option.

3.5 Exercise of Options

- 3.5.1 Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- 3.5.2 Prior to its expiration or earlier termination in accordance with the Plan, each Option shall

be exercisable as to all or such part or parts of the optioned Common Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board, at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

- 3.5.3 An Option holder who is a U.S. Awardee may not exercise Options unless the Common Shares are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

3.6 Method of Exercise and Payment of Purchase Price

- 3.6.1 Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) in such manner as the Board may determine from time to time and in accordance with such rules and regulations as the Board may prescribe from time to time.

- 3.6.2 In addition, in lieu of exercising any vested Option in the manner described in this Section 3.6, and pursuant to the terms of this Section 3.6.2, a Participant (other than a Person performing Investor Relations Activities) may, subject to the approval of the Board, by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Secretary of the Corporation, substantially in the form that may be approved by the Board from time to time (a “**Surrender Notice**”), elect to receive that number of Common Shares calculated using the following formula:

$$X = Y * (A-B) / A$$

Where:

X = the number of Common Shares to be issued to the Participant;

Y = the number of Common Shares underlying the Options to be Surrendered;

A = the VWAP of the Common Shares; and

B = the Option Price of such Options.

- 3.6.3 Where Common Shares are to be issued to the Participant pursuant to the terms of this Section 3.6, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised only in accordance with the terms of Section 3.6.1, the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Common Shares to the Participant as fully paid and non-assessable.

- 3.6.4 Upon the exercise of an Option pursuant to Section 3.6.1 or Section 3.6.2, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Common Shares to either:

- (a) deliver to the Participant (or to the liquidator, executor or administrator, as the

case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Common Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or

- (b) in the case of Common Shares issued in uncertificated form, cause the issuance of the aggregate number of Common Shares the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Common Shares.

3.7 Option Agreements

- 3.7.1 Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 6 be included therein. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in laws (including tax laws) in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.
- 3.7.2 U.S. Awardees will acknowledge and agree in the Option Agreement that (i) the Options may not be exercised in the United States unless exempt from the registration requirements under the U.S. Securities Act and any applicable state securities laws; (ii) the Common Shares have not been and will not be registered under the U.S. Securities Act, and the Common Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Common Shares issued to the U.S. Awardee upon exercise of the subject Options will be deemed “restricted securities” (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

ARTICLE 4 PERFORMANCE SHARE UNITS

4.1 Nature of PSU

A PSU is an Award entitling the recipient to receive payment in Common Shares or Cash Equivalent once such Award is earned and has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions shall be based upon the achievement of pre-established Performance Criteria over the Performance Period as well as continuing employment or engagement with the Corporation or a Subsidiary.

4.2 PSU Awards

- 4.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive PSUs under the Plan, (ii) fix the number of PSUs, if any, to be granted to each Eligible Participant and the date

or dates on which such PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria) and Unit Restriction Period of such PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any PSU Agreement.

- 4.2.2 Subject to the vesting and other conditions and provisions set forth herein and in the PSU Agreement, the Board shall determine whether PSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) Common Share issued from treasury for each PSU awarded; (ii) to receive the Cash Equivalent of one (1) Common Share for each PSU awarded; or (iii) to receive a combination of Cash Equivalent and Common Shares.
- 4.2.3 PSUs of Participants who are not U.S. Participants shall be settled by the Participant at any time beginning on the first Business Day following their PSU Vesting Determination Date but no later than the last day of the Unit Restriction Period. PSUs of U.S. Participants will be settled by the Corporation on or before March 15th of the year immediately following the year in which the PSU Vesting Determination Date occurs and no later than the last day of the Unit Restriction Period, and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled. Unless otherwise determined by the Board, all unvested PSUs shall be cancelled on the PSU Vesting Determination Date and, in any event, no later than the last day of the Unit Restriction Period.
- 4.2.4 A PSU holder who is a U.S. Awardee may not settle their PSUs for Common Shares unless the Common Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

4.3 Performance Criteria and Performance Period

- 4.3.1 For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Common Shares in exchange for all or a portion of the PSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the last day of the Unit Restriction Period.
- 4.3.2 For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period (unless waived or otherwise deemed to be satisfied by the Board in its sole discretion) in order for a Participant to be entitled to receive Common Shares in exchange for his or her PSUs.

4.4 PSU Vesting Determination Date

The vesting determination date for PSUs (the “**PSU Vesting Determination Date**”) means the date on which the Board determines if the Performance Criteria and all other vesting conditions with respect to a PSU have been met or have been waived or deemed satisfied by the Board in the sole discretion, and as a result, establishes the number of PSUs that become vested, if any. For greater certainty, the PSUs Vesting Determination Date must fall after the end of the Performance Period (except in the case of the Board’s discretionary waiver of Performance Criteria and other vesting conditions), but no later than the last day of the Unit Restriction Period.

4.5 Settlement of PSUs

4.5.1 Except as otherwise provided in the PSU Agreement and subject to Section 7.3.1, in the event that the vesting conditions, the Performance Criteria and Performance Period of a PSU are satisfied:

- (a) all of the vested PSUs covered by a particular grant to a Participant who is not a U.S. Participant may, be settled at on any day (each such day being a “**PSU Settlement Date**”) beginning on the PSUs Vesting Determination Date and ending on or before the last day of the Unit Restriction Period by delivering a Unit Settlement Notice in respect of any or all vested PSUs held by such Participant. PSUs of a U.S. Participant will be settled by the Corporation on or before March 15th of the year immediately following the calendar year in which the PSU Vesting Determination Date occurred but no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled; and
- (b) any vested PSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit Restriction Period shall be automatically settled on the last day of the Unit Restriction Period.

4.5.2 Subject to Section 7.3.1, settlement of PSUs shall take place promptly following the PSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, and with respect to U.S. Participants on or before March 15th of the year immediately following the year in which the PSU Vesting Determination Date occurs and no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled, through:

- (a) in the case of the settlement of PSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
- (b) in the case of the settlement of PSUs for Common Shares, delivery of a share certificate to the Participant or the entry of the Participant’s name on the share register for the Common Shares; or
- (c) in the case of settlement of the PSUs for a combination of Common Shares and Cash Equivalent, a combination of Sections 4.5.2(a) and 4.5.2(b) above.

4.6 Determination of Amounts

4.6.1 **Cash Equivalent of PSUs.** For purposes of determining the Cash Equivalent of PSUs to be paid pursuant to Section 4.5 (if any), such calculation will be made on the PSU Settlement Date and shall be equal to the Market Value of one Common Share on the PSU Settlement Date multiplied by the number of vested PSUs in the Participant’s Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.

4.6.2 **Payment in Common Shares.** For the purposes of determining the number of Common Shares from treasury to be issued and delivered to a Participant upon settlement of a PSU pursuant to Section 4.5, such calculation will be made on the PSU Settlement Date and be

the whole number of Common Shares equal to the whole number of vested PSUs then recorded in the Participant's Account which the Participant desires to settle in Common Shares pursuant to the Unit Settlement Notice. Common Shares will be issued and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance or transfer of Common Shares.

4.7 PSU Agreements

- 4.7.1 PSUs shall be evidenced by a PSU Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 4 and Article 6 be included therein. The PSU Agreement shall contain such terms that may be considered necessary in order that the PSU will comply with any provisions respecting performance share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of any regulatory body having jurisdiction over the Corporation.
- 4.7.2 U.S. Awardees will acknowledge and agree in the PSU Agreement that (i) the Common Shares issuable upon settlement of the PSUs have not been and will not be registered under the U.S. Securities Act, and the Common Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Common Shares issued to the U.S. Awardee upon settlement of the subject PSUs will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Nature of RSUs

A RSU is an Award entitling the recipient to receive payment based on the value of one Common Share once such Award has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Corporation or its Subsidiary.

5.2 RSU Awards

- 5.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions and the Unit Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- 5.2.2 Unless otherwise set forth in the RSU Agreement, each RSU shall vest as to 1/3 on each of the first, second and third anniversary of the date of grant provided the Participant remains in continuous service with the Corporation or an affiliate from the date of grant of the RSU through such vesting date (each such date being a "**RSU Vesting Date**"). Notwithstanding the foregoing and subject to Section 2.6.5, if the Board in its discretion waives all vesting conditions or deems them satisfied, the date of such determination by the Board will be the RSU Vesting Date.

- 5.2.3 Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement, the Board shall determine whether RSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) Common Share issued from treasury for each RSU awarded; (ii) to receive the Cash Equivalent of one (1) Common Share for each RSU awarded; or (iii) to receive a combination of Cash Equivalent and Common Shares.
- 5.2.4 RSUs of a Participant who is not a U.S. Participant shall be settled by the Participant at any time beginning on the first Business Day following the RSU Vesting Date but no later than the last day of the Unit Restriction Period. RSUs of a U.S. Participant will be settled by the Corporation on or before March 15th of the year immediately following the calendar year in which the RSU Vesting Date occurred but no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled.
- 5.2.5 A RSU holder who is a U.S. Awardee may not settle their RSUs for Common Shares unless the Common Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

5.3 Settlement of RSUs

- 5.3.1 Except as otherwise provided in the RSU Agreement and subject to Section 7.3.1:
- (a) all of the vested RSUs covered by a particular grant made to a Participant who is not a U.S. Participant may be settled at on any day (each such day being a “**RSU Settlement Date**”) on or before the last day of the Unit Restriction Period by delivering a Unit Settlement Notice in respect of any or all vested RSUs held by such Participant. RSUs of a U.S. Participant will be settled by the Corporation on or before March 15th of the year immediately following the calendar year in which the RSU Vesting Date occurred but no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled; and
 - (b) any vested RSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit Restriction Period, shall be automatically settled on the last day of the Unit Restriction Period.
- 5.3.2 Subject to Section 7.4, settlement of RSUs shall take place promptly following the RSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, and with respect to U.S. Participants on or before March 15th of the year immediately following the year in which the RSU Vesting Date occurs and no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled, through:
- (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of RSUs for Common Shares, delivery of a share

certificate to the Participant or the entry of the Participant's name on the share register for the Common Shares; or

- (c) in the case of settlement of the RSUs for a combination of Common Shares and Cash Equivalent, a combination of (a) and (b) above.

5.4 Determination of Amounts

- 5.4.1 **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be paid pursuant to Section 5.3 (if any), such calculation will be made on the RSU Settlement Date and shall be equal to the Market Value of one Common Share on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.
- 5.4.2 **Payment in Common Shares.** For the purposes of determining the number of Common Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5.3, such calculation will be made on the RSU Settlement Date and be the whole number of Common Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle in Common Shares pursuant to the Unit Settlement Notice. Common Shares will be issued and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance or transfer of Common Shares.

5.5 RSU Agreements

- 5.5.1 RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 5 and Article 6 be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of any regulatory body having jurisdiction over the Corporation.
- 5.5.2 U.S. Awardees will acknowledge and agree in the RSU Agreement that (i) the Common Shares issuable upon settlement of the RSUs have not been and will not be registered under the U.S. Securities Act, and the Common Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Common Shares issued to the U.S. Awardee upon settlement of the subject PSUs will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

ARTICLE 6 GENERAL CONDITIONS

6.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- 6.1.1 **Employment or Other Relationship.** The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity or otherwise commence, extend, continue or modify any

engagement between the Corporation or a Subsidiary and the Participant. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any Awards in the future nor shall it entitle the Participant to receive future grants.

6.1.2 **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Common Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Common Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Common Shares is made.

6.1.3 **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.

6.1.4 **Non-Transferability and Non-Assignability.** Other than by will or under the law of succession, or as otherwise set forth herein, Awards are not assignable or transferable. Awards may be exercised only by:

- (a) the Participant to whom the Awards were granted; or
- (b) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant; or
- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Common Shares only in the person's own name or in the person's capacity as a legal representative.

6.2 Additional Conditions applicable to Awards

Each Award shall be subject to the following conditions:

6.2.1 **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "Cause", all unexercised or unsettled vested or unvested Awards granted to such Participant shall terminate as of the Termination Date. For the purposes of the Plan, the

determination by the Corporation that the Participant was discharged for “Cause” shall be binding on the Participant. “Cause” shall include, among other things, any dishonest act such as gross misconduct, theft, fraud, embezzlement, misappropriation, breach of confidentiality, breach of loyalty or breach of duty of loyalty or placement in conflict of interest, and any other reason determined by the Corporation to be cause for termination.

- 6.2.2 **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant’s resignation, subject to any later expiration dates determined by the Board which shall not be longer than one year after the Termination Date,
- (a) all vested and unexercised/unsettled Awards shall expire on the earlier of ninety (90) days after the Termination Date and the expiry date of the Awards; and
 - (b) all unvested Awards granted to such Participant shall terminate on the Termination Date caused by such resignation.
- 6.2.3 **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason other than for “Cause”, resignation, death or after becoming subject to the Disability,
- (a) all vested and unexercised/unsettled Awards shall expire on the earlier of ninety (90) days after the Termination Date and the expiry date of the Awards; and
 - (b) all unvested Awards granted to such Participant shall terminate on the Termination Date caused by such cessation.
- 6.2.4 **Death or Disability.** If a Participant dies while in his or her capacity as an Eligible Participant, or ceases to be an Eligible Participant as a result of a Disability,
- (a) all vested and unexercised/unsettled Awards shall expire on the earlier of one hundred eighty (180) days after the date of such Participant’s death or Disability and the expiry date of the Awards; and
 - (b) all unvested Awards granted to such Participant shall terminate on the Termination Date caused by death or Disability.
- 6.2.5 **Compliance.** Notwithstanding the foregoing, with respect to RSUs and PSUs awarded to U.S. Participants, nothing in this Section 6.2 will result in a failure to comply with the required timing of settlement of such RSUs and PSUs as otherwise specified in the Plan. Further provided, however, that if a Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Awards held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any “in-the-money” amounts realized upon exercise of Awards following the Termination Date.

6.3 Unfunded Plan

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor

of the Corporation. Notwithstanding the foregoing, any such determinations made by the Board shall be made in such manner as to ensure that the Options continuously meet the requirements of Section 7 of the Tax Act or any successor provision thereto.

6.4 U.S. Securities Laws

- 6.4.1 Neither the Awards nor the securities which may be acquired pursuant to the exercise or settlement of the Awards have been registered under the U.S. Securities Act or under any securities law of any state of the United States and are considered “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and any Common Shares issuable pursuant to the Plan shall be affixed with an applicable restrictive legend as set forth in the respective award agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Corporation has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Awards or the securities underlying the Awards, which could result in such U.S. Awardee not being able to dispose of any Common Shares issued on exercise or settlement of Awards for a considerable length of time. Each U.S. Awardee will be required to complete an award agreement which sets out the applicable United States restrictions.

ARTICLE 7 ADJUSTMENTS AND AMENDMENTS

7.1 Adjustment to Common Shares Subject to Outstanding Awards

- 7.1.1 In the event of (i) any subdivision of the Common Shares into a greater number of Common Shares, (ii) any consolidation of Common Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Issued Shares, (iv) any merger, amalgamation or consolidation of the Corporation with or into another corporation, or (v) any distribution to all holders of Issued Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Common Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of TSXV, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:
- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
 - (b) adjustments to the number of Common Shares to which the Participant is entitled upon exercise of such Award; or
 - (c) adjustments to the number of Common Shares reserved for issuance pursuant to the Plan.

7.2 Amendment or Discontinuance of the Plan

7.2.1 The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:

- (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 7;
- (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (c) be subject to shareholder approval, including disinterested shareholder approval, where required by law, the requirements of the Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (i) any amendment to the vesting provisions of Awards;
 - (ii) any amendment to the assignability provisions of Awards, subject to approval of the Exchange;
 - (iii) any amendment which accelerates the date on which any Award may be exercised under the Plan, provided that any acceleration of the vesting provisions for any Options granted to Persons performing Investor Relations Activities requires approval by the Exchange;
 - (iv) any amendment necessary to comply with applicable law or the requirements of the Exchange or any other regulatory body;
 - (v) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
 - (vi) any amendment regarding the administration of the Plan; and
 - (vii) any other amendment that does not require the approval of the holders of Common Shares pursuant to the amendment provisions of the Plan.

The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant’s employment or engagement shall not apply for any reason acceptable to the Board.

7.2.2 Notwithstanding Section 7.2.1(c), the Board shall be required to obtain shareholder approval, including disinterested shareholder approval (when required by law, the requirements of the Exchange or the provisions of the Plan), to make the following amendments:

- (a) any amendment to the definition of “Eligible Participant”;
- (b) any change to the maximum number of Common Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4.2(a) and in the event of an adjustment pursuant to Article 7;
- (c) any amendment to the limitations under the Plan on the number of Awards that may be granted to any one Person or any category of Persons (including Insiders and Persons retained to provide Investor Relations Activities);
- (d) the method for determining the Option Price of an Option;
- (e) any reduction in the Option Price of an Option held by an Insider;
- (f) any amendment which extends the expiry date of any Award held by an Insider, or the Unit Restriction Period of any Units beyond the original expiry date, except in case of an extension due to a Black-Out Period;
- (g) any amendment regarding the effect of termination of a Participant’s employment or engagement;
- (h) or any amendment to add or amend provisions permitting for the granting of cash-settled awards, a form of financial assistance or clawback; and
- (i) any amendment to the amendment provisions of the Plan.

7.2.3 The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

7.3 Change of Control

7.3.1 **Change of Control.** In the event of and in connection with a transaction that would constitute a Change of Control, notwithstanding anything else in this Plan but subject to the specific terms of any Grant Agreement to the contrary and the approval of the Exchange, if required, the Board shall have the right, in its discretion, to deal with any or all Award (or any portion thereof) issued under this Plan in the manner it deems fair and reasonable in the circumstances of the Change of Control. Without limiting the generality of the foregoing, in connection with a Change of Control, the Board, without any action or consent required on the part of any Participant, shall have the right to:

- (a) determine that the Awards, in whole or in part and whether vested or unvested, shall remain in full force and effect in accordance with their terms after the Change of Control;
- (b) provide for the conversion or exchange of any or all Awards (or any portion thereof, whether vested or unvested) into or for options, rights, units or other securities in any entity participating in or resulting from a Change of Control;
- (c) cancel any unvested Awards (or any portions thereof) without payment of any

kind to any Participant;

- (d) accelerate the vesting of outstanding Awards;
- (e) provide for outstanding Awards to be purchased;
- (f) accelerate the date by which any or all Awards or any portion thereof, whether vested or unvested, must be exercised or settled either in whole or in part;
- (g) deem any or all Awards or any portion thereof, whether vested or unvested (including those accelerated pursuant to this Plan) to have been exercised or settled in whole or in part, tender, on behalf of the Participant, the underlying Common Shares that would have been issued pursuant to the exercise or settlement of such Awards to any third party purchaser in connection with the Change of Control, and pay to the Participant on behalf of such third party purchaser an amount per underlying Common Share equal to the Change of Control price of the Common Share or, in the case of Options, the positive difference between the Change of Control price of the Common Share and the applicable Option Price;
- (h) cancel any or all outstanding Awards (including those accelerated under pursuant to this Plan) either in whole or in part and pay to the Participant an amount per underlying Common Share equal to the Change of Control price of the Common Share or, in the case of Options, the positive difference between the Change of Control price of the Common Share and the applicable Option Price; or
- (i) take such other actions or combinations of the foregoing actions or any other actions permitted under this Section 7.3.1, as it deems fair and reasonable under the circumstances.

7.4 Settlement of RSUs and PSUs during a Black-Out Period

Notwithstanding any other provision of this Plan, in the event that a PSU Settlement Date or a RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and a Participant who is not a U.S. Participant has failed to deliver a Unit Settlement Notice, then such PSU Settlement Date or RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed. With respect to Awards of U.S. Participants, the deadline for settlement of such PSUs and RSUs as set forth in the Plan will not be extended due to a Black-Out Period unless settlement during such Black-Out Period would violate applicable securities laws or other applicable laws.

ARTICLE 8 MISCELLANEOUS

8.1 Use of an Administrative Agent and Trustee

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and, subject to Section 6.3 of the Plan, to act as custodian to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its

sole discretion. The Corporation and the administrative agent will maintain records showing the holdings of the respective Awards, vesting periods, Performance Criteria and Participants.

8.2 Tax Withholding

8.2.1 Notwithstanding any other provision of this Plan, all distributions, delivery of Common Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of all withholdings required by applicable law. If the event giving rise to a withholding obligation involves an issuance or delivery of Common Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Common Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 8.1, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with applicable law.

8.2.2 Notwithstanding Section 8.2.1, withholding in respect of Canadian income tax may be waived where a Participant who is not a U.S. Participant, who is an employee of the Corporation or a Subsidiary for the purposes of the Tax Act, directs in writing that a payment be made directly to the Participant's registered retirement savings plan and provides satisfactory written evidence that such payment is within the Participant's deduction limit for such plan for the taxation year in which the payment is made.

8.3 Reorganization of the Corporation

The existence of any Awards 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 any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of 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.

8.4 Governing Laws

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

8.5 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

8.6 Effective Date of the Plan

The Plan was approved by the Board on May 13, 2022, approved by its shareholders on June 29, 2022, and shall take effect on upon the completion of the Corporation's reverse take-over transaction.

SCHEDULE “C”

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

PURPOSE

There shall be a committee of the board of directors (the “**Board**”) of the Company known as the Audit Committee. The Audit Committee shall assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

the Company’s external audit function, including the qualifications, independence, appointment and oversight of the work of the external auditors;

the Company’s accounting and financial reporting requirements;

the Company’s reporting of financial information to the public;

the Company’s compliance with law and regulatory requirements;

the Company’s risks and risk management policies;

the Company’s system of internal controls and management information systems;
and

such other functions as are delegated to it by the Board.

Specifically, with respect to the Company’s external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the quality and integrity of the Company's financial statements, the independent auditors' qualifications, and the performance of the Company's independent auditors.

MEMBERSHIP

The Audit Committee shall consist of as many members as the Board shall determine but, in any event not fewer than three directors appointed by the Board as provided for in the By-laws of the Company. Each member of the Audit Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director of the Company. The Board may fill a vacancy which occurs in the Audit Committee at any time. No member of the Audit Committee should be a holder of more than 20% of the Company’s outstanding shares.

Members of the Audit Committee shall be selected based upon the following and in accordance with applicable laws, rules and regulations:

Independence. At least 50% of the members shall be independent in accordance with applicable legal and regulatory requirements and in such regard shall have no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.

Financially Literate. Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. For these purposes, 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 Company's financial statements.

Committee Procedure

Chair And Secretary

The Chair of the Audit Committee shall be designated by the Board. If the Chair is not present at a meeting of the Audit Committee, the members of the Audit Committee may designate an interim Chair for the meeting by majority vote of the members present. The Secretary of the Company shall be the Secretary of the Audit Committee, provided that if the Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Audit Committee members who are present. A member of the Audit Committee may be designated as the liaison member to report on the deliberations of the Audit Committees of affiliated companies (if applicable).

Meetings

The Chair of the Audit Committee, in consultation with the Audit Committee members, shall determine the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least once in each fiscal year. The Audit Committee shall have the authority to convene additional meetings as circumstances require.

Meetings shall also be convened whenever requested by the external auditors or any member of the Audit Committee in accordance with applicable law. The Audit Committee shall meet separately and periodically with management, legal counsel and the external auditors. The Audit Committee shall meet separately with the external auditors at every meeting of the Audit Committee at which external auditors are present.

A majority of the Audit Committee members, present in person or by conference telephone, shall constitute quorum for the transaction of business.

The Audit Committee may request that any directors, officers or employees of the Company, or any other person from whom the Audit Committee would like advice or counsel, attend any meeting to provide such information or guidance.

An Audit Committee member or the Company's Secretary shall keep written minutes of the Audit Committee meetings. The minutes are to be maintained with the books and records of the Company. The Chair of the Audit Committee will regularly report the Audit Committee's findings and recommendations to the Board.

Meeting Agendas

Agendas for meetings of the Audit Committee shall be developed by the Chair of the Audit Committee in consultation with management and the corporate secretary, and shall be circulated to Audit Committee members as far in advance of each Audit Committee meeting as is reasonable.

Resources And Authority

The Audit Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management.

The Audit Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to communicate directly with the internal and external auditors, the general counsel of the Company and other officers and employees of the Company.

The members of the Audit Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Company and its subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and external and internal auditors of the Company and its subsidiaries. Any member of the Audit Committee may require the external or internal auditors to attend any or every meeting of the Audit Committee.

Mandate of the committee

The Company's management is responsible for preparing the Company's financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors, and overseeing the activities of the internal auditors.

The specific responsibilities of the Audit Committee shall include those listed below. The enumerated responsibilities are not meant to restrict the Audit Committee from examining any matters related to its purpose.

Financial Reporting Process and Financial Statements

The Audit Committee shall:

- in consultation with the external auditors and the internal auditors, review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;
- review all material transactions and material contracts entered into between (i) the Company or any subsidiary of the Company, and (ii) any subsidiary, director, officer, insider or related party of the Company, other than officer or employee compensation arrangements or director remuneration approved or recommended by the Compensation Committee, or transactions in the ordinary course of business;
- review and discuss with management and the external auditors: (i) the preparation of the Company's annual audited consolidated financial statements and its interim unaudited consolidated financial statements; (ii) whether the financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition, results of operations

and cash flows of the Company as of and for the periods presented; (iii) any matters required to be discussed with the external auditors according to Canadian generally accepted auditing standards; (iv) an annual report by the external auditors describing: (A) all critical accounting policies and practices used by the Company; (B) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, including the ramifications of the use such alternative treatments and disclosures and the treatment preferred by the external auditors; and (C) other material written communications between the external auditors and management;

following completion of the annual audit, review with each of: (i) management; (ii) the external auditors; and (iii) the internal auditors, any significant issues, concerns or difficulties encountered during the course of the audit;

resolve disagreements between management and the external auditors regarding financial reporting;

review the interim quarterly and annual financial statements and annual and interim press releases prior to the release of earnings information; and

review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures.

External auditors

The Audit Committee shall:

require the external auditors to report directly to the Audit Committee;

be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the Company's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and in such regard recommend to the Board the external auditors to be nominated for approval by the Shareholders;

approve all audit engagements and pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approval.

Accounting Systems and Internal Controls

The Audit Committee shall oversee management's establishment and maintenance of disclosure controls and procedures and internal controls. The Audit Committee shall also receive and review reports from management, the internal auditors and the external auditors on an annual basis with regard to the reliability and effective operation of the Company's accounting system and internal controls;

Legal and Regulatory Requirements

The Audit Committee shall:

- receive and review timely analysis by management of significant issues relating to public disclosure and reporting;
- review, prior to finalization, periodic public disclosure documents containing financial information, including the Management's Discussion and Analysis;
- review with the Company's legal counsel compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and
- assist the Board in the oversight of compliance with legal and regulatory requirements and review with legal counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with legal and regulatory responsibilities.

Limitation on the Oversight Role of the Audit Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the external auditor.

