



# ***Mineral Hill Industries Ltd.***

## **STOCK OPTION PLAN 2022/05/12**

### **1. PURPOSE OF THE PLAN**

The Company hereby establishes a stock option plan for directors, senior officers Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "Eligible Persons"), to be known as the "Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the option is granted.

### **2. DEFINITIONS**

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Associate**" means an "Associate" as defined in the Exchange Policies.
- 2.2 "**Board**" means the Board of Directors of the Company.
- 2.3 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
- 2.4 "**Company**" means Mineral Hill Industries Ltd. and its successors.
- 2.5 "**Consultant**" means a "Consultant" as defined in the TSXV Policies.
- 2.6 "**Consultant Company**" means a "Consultant Company" as defined in the TSXV Policies.
- 2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
  - (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.8 "**Distribution**" means a "Distribution" as defined in the TSXV Policies.
- 2.9 "**Eligible Persons**" has the meaning given to that term in paragraph 1 hereof.
- 2.10 "**Employee**" means an "Employee" as defined in the TSXV Policies.
- 2.11 "**Exchanges**" means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.

- 2.12 "**Expiry Date**" means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.13 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.14 "**Insider**" means an "Insider" as defined in the TSXV Policies, other than a person who is an insider solely by virtue of being a director or senior officer of a subsidiary of the Company.
- 2.15 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSXV Policies.
- 2.16 "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the Securities Act.
- 2.17 "**Management Company Employee**" means a "Management Company Employee" as defined in the TSXV Policies.
- 2.18 "**Market Price**" of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.19 "**Option**" means an option to purchase Shares granted pursuant to this Plan.
- 2.20 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.21 "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.22 "**Option Price**" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.23 "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.24 "**Plan**" means this Stock Option Plan.
- 2.25 "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.26 "**Securities Act**" means the Securities Act, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.27 "**TSXV Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "TSXV Policy" means any one of them.

- 2.28 "Unissued Option Shares" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.29 "Vested" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

### 3. GRANT OF OPTIONS

#### 3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons of the Company and its subsidiaries. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date (subject to a minimum price per share of \$0.10 as defined in the TSXV Policies). The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than 10 years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

#### 3.2 Limits on Shares Issuable on Exercise of Options

The maximum number of Shares which may be issuable pursuant to options granted under the Plan is fixed at **4,144,961** and together with all of the Company's other previously established or proposed share compensation arrangements must not exceed 20% of the total number of issued and outstanding Shares of the Company. The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis. The Company must obtain disinterested Shareholder approval of stock options if a stock option plan, together with all of the Issuer's previously established and outstanding stock option plans or grants, could result at any time in the grant to Insiders as a group, within a 12 months period, of a number of options exceeding 10% of the issued shares.

The Company must obtain disinterested Shareholder approval of stock options if a stock option plan, together with all of the Issuer's previously established and outstanding stock option plans or grants, could result at any time in the number of shares reserved for issuance under stock options granted to Insiders as a group exceeding 10% of the issued shares.

- (c) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and

- (d) all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

### **3.3 Option Agreements**

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Stock Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## **4. EXERCISE OF OPTION**

### **4.1 When Options May be Exercised**

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

### **4.2 Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

### **4.3 Vesting of Option Shares**

The Directors may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. All options granted to Consultants, providing Investor Relations Activities, shall vest over a minimum twelve month period with no more than one-quarter of such options vesting over a three month period.

### **4.4 Termination of Employment**

If an Optionee ceases to be a director, officer or Service Provider of the Company or one of the Company's subsidiaries, his or her Option shall be exercisable as follows:

- (a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee

shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 180 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 30 days (10 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

**4.5 Effect of a Take-Over Bid**

If a *bona fide* offer ( an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or

- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days notice is required.

#### **4.7 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee.

#### **4.8 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

#### **4.9 Shares Not Acquired**

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

#### **4.10 Exchange approval**

The provisions of paragraphs 4.5, 4.6 and 4.7 are subject to prior Exchange approval.

## **5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

### **5.1 Share Reorganization**

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "Share Reorganization") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
  - (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

### **5.2 Special Distribution**

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of Directors of the Company has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "Special Distribution"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

### **5.3 Corporate Organization**

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "Corporate Reorganization") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

### **5.4 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

### **5.5 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

## **6. MISCELLANEOUS**

### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

## **6.2 Necessary Approvals**

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

## **6.3 Administration of the Plan**

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

## **6.4 Income Taxes**

As a condition of and prior to participation in the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

## **6.5 Amendments to the Plan**

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee. Subject to the following paragraph in this section, any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders.

The Directors shall have the right to amend the Plan for the purposes of complying with the TSXV Polices or the requirements of any of the Exchanges without the approval of the shareholders.

## **6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

**6.7 No representation or Warranty**

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

**6.8 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**6.9 No Assignment**

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

**6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

**6.11 Conflict**

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

**6.12 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

**6.13 Time of Essence**

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

**6.14 Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**6.15 Incorporation of the TSXV Policies**

The TSXV Policies are incorporated into the Plan by reference and will take precedence in case of a conflict between the Plan and the TSXV Policies.

**Stock Option Plan approved by the Board of Directors on May 6, 2022.**

SCHEDULE "A"



**Mineral Hill Industries Ltd.**

**STOCK OPTION AGREEMENT**

Template for Employees, Officers, Consultants and Advisors

*Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until four months and one day after the date of grant.*

THIS AGREEMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**BETWEEN:**           **Mineral Hill Industries Ltd.**  
#170 - 422 Richards Street.  
Vancouver BC, V6B 2Z4, Canada  
(the "**Optionor**")

**OF THE FIRST PART**

**AND:**                   \_\_\_\_\_

\_\_\_\_\_

(Resident Address)

\_\_\_\_\_

("the "**Optionee**")

**OF THE SECOND PART**

**WHEREAS:**

- A.     The Optionor and the Optionee hereby enter into this Stock Option Agreement (the "Option Agreement") which is governed by the Company's Stock Option Plan (the "Plan").
- B.     The Optionee holds the position of an Employee of the Optionor or a subsidiary of the Optionor; and
- C.     The Optionor wishes the Optionee to remain in such position as so to continue to receive the benefits of the Optionee's services.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the premises, the Optionor hereby grants to the Optionee in respect of his/her position with the Optionor as

hereinafter set out, an option to purchase shares in the capital stock of the Optionor upon the following terms and conditions:

1. The number of shares which may be purchased by the Optionee is **XXX** (“Options”) which shares may be purchased at a price of **\$XXX** per share (the “Option Price”).
2. The Options shall terminate 3 years from the effective date of this Agreement (the “Option Period”).
3. Options may be exercised (in each case to the nearest full share) during the Option Period as follows:
  - (a) Options shall be exercisable at any time and from time to time after 180 days of the date of this Agreement as to one half (1/2) of the number of Options set out herein and as to an additional one half (1/2) after 540 days of the date of this Agreement.;
  - (b) Except as set out in section 4 (a) of the Plan, no Options may be exercised unless the Optionee is, at the time of such exercise, an officer or director of or an employee or consultant who has been continuously employed, elected, appointed or engaged by the Optionor or a designated subsidiary, as the case may be, since the date of this Agreement.
4. The Optionee may exercise the Option, in accordance with paragraph 3 above, by delivering to the Optionee at the address first written above, written notice of the shares to be purchased and full payment of the Option Price therefore. On receipt of such notice and/or payment, the Optionor shall, in the case of the exercise of Options issue shares:
  - (a) No Option may be sold or assigned; and
  - (b) No Option granted to directors or officers may be amended without approval of the shareholders of the Optionor.
5.
  - (a) If an Optionee ceases to hold his/her position with the Optionor for any reason other than his/her death, this option will terminate 30 days following the date of cessation.
  - (b) If the Optionee dies prior to the termination of his/her option, the option shall terminate as provided in paragraph 2 or one 180 after his/her death, whichever is earlier, and, until such termination, his/her personal representative shall have the same rights as the Optionee would have had but for his/her death.
6. If an Option is granted to an employee in his/her capacity as an employee, such Optionee hereby represents that he/she is an employee of the Optionor or a subsidiary thereof or an employee of a company under contract to provide management services to the Optionor.
7. If the shares of the Optionor are subdivided, consolidated or otherwise reorganized or subject to an amalgamation, the number and price of any of the shares not purchased shall be adjusted accordingly.

8. This Agreement may be executed in several parts and such parts shall together form one original agreement.
9. The Optionee recognises in particular and as a condition of and prior to participation in the Plan and authorizes herewith the Company to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.
10. All other terms of the Options are governed by the *Plan*.
11. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**Acknowledgement – Personal Information**

The Optionee hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Optionor; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the day and year first written above.

**MINERAL HILL INDUSTRIES LTD.**

(Optionor)

C/S

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
(Optionee)



1. The number of shares which may be purchased by the Optionee is **XXX** (“Options”) which shares may be purchased at a price of **\$XXX** per share (the “Option Price”).
2. The Options shall terminate 3 years from the effective date of this Agreement (the “Option Period”).
3. Options may be exercised (in each case to the nearest full share) during the Option Period as follows:
  - (a) Options shall be exercisable at any time and from time to time after the date of this Agreement as to one half (1/2) of the number of Options set out herein and as to an additional one half (1/2) after 180 days of the date of this Agreement.
  - (b) Except as set out in section 4 (a) of the Plan, no Options may be exercised unless the Optionee is, at the time of such exercise, a director who has been continuously elected, and engaged by the Optionor or a designated subsidiary, as the case may be, since the date of this Agreement.
4. The Optionee may exercise the Option, in accordance with paragraph 3 above, by delivering to the Optionee at the address first written above, written notice of the shares to be purchased and full payment of the Option Price therefore. On receipt of such notice and/or payment, the Optionor shall, in the case of the exercise of Options issue shares:
  - (a) No Option may be sold or assigned; and
  - (b) No Option granted to directors may be amended without approval of the shareholders of the Optionor.
5.
  - (a) If an Optionee ceases to hold his/her position with the Optionor for any reason other than his/her death, this option will terminate 30 days following the date of cessation.
  - (b) If the Optionee dies prior to the termination of his/her option, the option shall terminate as provided in paragraph 2 or one 180 after his/her death, whichever is earlier, and, until such termination, his/her personal representative shall have the same rights as the Optionee would have had but for his/her death.
6. If an Option is granted to an employee in his/her capacity as an employee, such Optionee hereby represents that he/she is an employee of the Optionor or a subsidiary thereof or an employee of a company under contract to provide management services to the Optionor.
7. If the shares of the Optionor are subdivided, consolidated or otherwise reorganized or subject to an amalgamation, the number and price of any of the shares not purchased shall be adjusted accordingly.
8. This Agreement may be executed in several parts and such parts shall together form one original agreement.
9. The Optionee recognises in particular and as a condition of and prior to participation in the Plan and authorizes herewith the Company to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.
10. All other terms of the Options are governed by the **Plan**.

11. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**ACKNOWLEDGEMENT – PERSONAL INFORMATION**

The Optionee hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Optionor; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the day and year first written above.

**MINERAL HILL INDUSTRIES LTD.**

(Optionor)

C/S

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
(Optionee)