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## MANAGEMENT INFORMATION CIRCULAR AS AT SEPTEMBER 6, 2022

**This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Japan Gold Corp. for use at the annual general meeting (the “Meeting”) of shareholders of Japan Gold Corp. (the “Shareholders”) to be held on October 20, 2022 and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General Meeting. Except where otherwise indicated, the information contained herein is stated as of September 6, 2022.**

In this Information Circular, references to the “**Company**” and “**we**” refer to Japan Gold Corp. “**Common Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means Shareholders who do not hold Common Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

### INTRODUCTION

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Company for use at the Meeting to be held virtually at 3:00 p.m. (*Vancouver time*), on Thursday, October 20, 2022 and at any adjournment(s) or postponements(s) thereof for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”). In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, shareholders, and other stakeholders, unless we advise otherwise by way of news release, the Company is conducting a virtual only Shareholders’ meeting. Registered Shareholders and duly appointed proxyholders can attend the Meeting online at <https://meetnow.global/MXNMPNU> to participate, vote, or submit questions during the Meeting’s live webcast.

You are a Registered Shareholder if your name appears on a share certificate or a Direct Registration System statement confirming your holdings. If you are a Registered Shareholder, you have received a “Form of Proxy” (“**Proxy**”) for this Meeting.

You are a Non-Registered Shareholder if your shares are held through an intermediary (broker, trustee or other financial institution). If you are a Non-Registered Shareholder, you have received a “Voting Instruction Form” (“**VIF**”) for this Meeting. Please make sure to follow instructions on your VIF to be able to attend and vote at this Meeting.

**Shareholders are encouraged to vote by proxy before the Meeting by the deadline of 3:00 p.m. (Vancouver time) on Tuesday, October 18, 2022.**

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

## Attending the Meeting Online

Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://meetnow.global/MXNMPNU>

- **Registered Shareholders and duly appointed proxyholders** can participate in the Meeting by clicking “**Shareholder**” and entering a Control Number or an Invite Code before the start of the Meeting.
  - Registered Shareholders: the 15-digit control number is located on the Form of Proxy or in the email notification you received.
  - Duly appointed proxyholders: Computershare Trust Company of Canada OR Computershare Investor Services Inc. (“**Computershare**”) will provide the proxyholder with an Invite Code by email after the voting deadline has passed.
- Attending and voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders
- **Non-Registered Shareholders** who have not appointed themselves as proxyholders to participate and vote at the Meeting may login as a guest, by clicking on “**Guest**” and complete the online form; however, they will not be able to vote or submit questions.

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual Meeting must submit their Proxy or VIF (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their Proxy or VIF. **Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.**

To register a proxyholder, Shareholders **MUST** visit <https://www.computershare.com/JapanGold> by **Tuesday, October 18, 2022, 3:00 p.m.** and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with an Invite Code by email.

**In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.**

The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the Meeting prior to the start time. **It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

## Participating in the Meeting

The Meeting will only be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the virtual Meeting is provided below.

- **Registered Shareholders and appointed proxyholders:** Only those who have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invite Code by Computershare (see details under the heading “Appointment and Revocation of Proxies”), will be able to vote and submit questions during the Meeting. To do so, please go to <https://meetnow.global/MXNMPNU> prior to the start of the Meeting to login. Click on “**Shareholder**” and enter your 15-digit control number or click on “**Invitation**” and enter your Invite Code.
- **United States Beneficial Shareholders:** To attend and vote at the virtual Meeting, you must first obtain a valid Legal Proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, you must submit a copy of your Legal Proxy to Computershare in order to register to attend the Meeting. Requests for registration should be sent:

By mail to:	COMPUTERSHARE 100 UNIVERSITY AVENUE 8 <sup>TH</sup> FLOOR TORONTO, ON M5J 2Y1
By email at:	USLegalProxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received no later than **3:00 p.m. (Vancouver time) on Tuesday, October 18, 2022**. You will receive a confirmation of your registration by email after we receive your registration

materials. You may attend the Meeting and vote your shares at <https://meetnow.global/MXNMPNU> during the Meeting. Please note that you are required to register your appointment at [www.computershare.com/appointee](http://www.computershare.com/appointee).

### **Voting at the Meeting**

A Registered Shareholder (or a Non-Registered Shareholder) who has appointed themselves or appointed a third-party proxyholder to represent them at the Meeting, will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for this Meeting. To be able to vote their shares at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invite Code provided by Computershare at <https://meetnow.global/MXNMPNU> prior to the start of the Meeting.

In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder MUST register with Computershare at [https://www.computershare.com/JapanGold\\_AFTER](https://www.computershare.com/JapanGold_AFTER) submitting their VIF in order to receive an Invite Code (see details under the heading “Appointment of and Revocation of Proxies” for details).

**Shareholders are encouraged to vote by proxy before the Meeting by the deadline of 3:00 p.m. (Vancouver time) on Tuesday, October 18, 2022.**

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

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company or solicitors for the Company. **If you are a Registered Shareholder, you have the right to attend the Meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.**

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting must submit their Proxy or VIF (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their Proxy/VIF. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.

To register a proxyholder, Shareholders MUST visit <https://www.computershare.com/JapanGold> by **3:00 p.m. (Vancouver time) on Tuesday, October 18, 2022** and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with an Invite Code by email. **Without an Invite Code, proxyholders will not be able to attend and vote at the Meeting.**

**In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.**

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Computershare, in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

**In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.**

Registered shareholders electing to submit a Proxy may do so by:

- (i) Internet: Vote online at [www.investorvote.com](http://www.investorvote.com) using the Proxy Control Number found in the enclosed Proxy.
- (ii) Mail: Completing, dating and signing the enclosed Proxy and returning it to the Company’s transfer agent, Computershare, by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (iii) Telephone: Using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder’s account number and the Proxy Control Number.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company 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 to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the Proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the VIF received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The VIF supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The VIF sent by Computershare or Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity.** To exercise this right to attend the Meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the VIF. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed VIF or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a VIF from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The VIF must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

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

No person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person as defined in (a) or (b).

#### **RECORD DATE AND QUORUM**

The board of directors of the Company (the “**Board**”) has fixed the record date for the Meeting as the close of business on September 6, 2022 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Articles of the Company, the quorum for the transaction of business at a meeting of Shareholders is one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to the Company’s articles, present in person or by proxy.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

On the Record Date there were 224,890,479 Common Shares issued and outstanding, with each share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote by proxy at the Meeting or any adjournment or postponement thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, the Shareholders who beneficially own, or exercise control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares are:

Name	Number of Common Shares Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Approximate Percentage of Total Outstanding Common Shares
Newmont Corporation	22,602,634	10.05%
Equinox Partners Investment Management, LLC	34,396,780	15.29%

**Note:**

(1) The above information was derived from insider and beneficial ownership reports available at [www.sedi.com](http://www.sedi.com).

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

### Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2021, together with the auditor's report thereon, will be placed before the Meeting.

### Election of Directors

The Company proposes to fix the number of directors of the Company at seven and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the director nominees, their positions and offices in the Company, their principal occupations, the period of time that they have been directors of the Company, and the number of Common Shares that each beneficially owns or over which the nominee exercises control or direction.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>John Proust</b> <sup>(2) (4)</sup> British Columbia, Canada <i>Chief Executive Officer, Chairman and Director</i>	September 15, 2016	8,596,817 <sup>(5)</sup>	Mr. Proust is an independent businessman and President of J. Proust & Associates Inc., through which Mr. Proust is the founder of numerous public and private companies.
<b>Mitsuhiko Yamada</b> <sup>(4)</sup> Tokyo, Japan <i>Director</i>	September 15, 2016	Nil	Mr. Yamada is a mining business professional with significant international experience.
<b>Paul Harbidge</b> <sup>(3)</sup> British Columbia, Canada <i>Director</i>	November 17, 2020	Nil	Mr. Harbidge is a geologist with over 26 years of experience.
<b>Murray Flanigan</b> <sup>(2)(3)(4)</sup> British Columbia, Canada <i>Director</i>	January 24, 2019	100,000 <sup>(6)</sup>	Mr. Flanigan is a Chartered Professional Accountant and a Chartered Financial Analyst.
<b>Ian Burney</b> Ontario, Canada <i>Director</i>	October 21, 2021	42,500	Mr. Burney is an accomplished, high-performing public service executive and diplomat with over 30 years of experience in international affairs, particularly in the area of global economic issues. Mr. Burney was the Ambassador of Canada to Japan from 2016 to 2021.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Michael Carrick</b> <sup>(2)(3)</sup> Perth, Western Australia <i>Director</i>	October 21, 2021	Nil	Mr. Carrick is a Chartered Accountant with over 30 years of experience in the resources sector. Mr. Carrick is currently Chairman of RTG Mining Inc. since 2013 and has been responsible for the development of seven major gold mines in five countries around the world.
<b>Tanneke Heersche</b> <sup>(4)</sup> Ontario, Canada <i>Director</i>	October 21, 2021	Nil	Ms. Heersche is a highly regarded expert and strategic advisor in the natural resources industry with over 25 years of international industry experience. Ms. Heersche is currently a special project counsel to Fasken Martineau DuMoulin LLP and is a member of the firm's ESG Steering Committee and Global Mining Group.

**Notes:**

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Member of the audit committee of the Company.
- (3) Member of the compensation committee of the Company.
- (4) Member of the corporate governance/nomination committee of the Company.
- (5) Includes 3,526,096 common shares controlled indirectly through Gwen Proust 2018 Alter Ego Trust, 3,824,430 common shares owned indirectly through J. Proust & Associates, 394,533 common shares controlled indirectly through Portland Management, and 100,000 common shares controlled indirectly through Proust Family Trust.
- (6) 100,000 common shares are owned indirectly through GR7 Holdings Inc.

To the knowledge of the Company, no proposed director of the Company is, or has been, within the 10 years prior to the date of this Information Circular, a director or executive officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting in that capacity;
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to act in that capacity, and which resulted from an event that occurred while that person was acting in that capacity; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company is, or has been, within the 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company has been subject to 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 has been subject to 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.

## Appointment of Auditor

Management is recommending that Shareholders vote to appoint KPMG LLP of 777 Dunsmuir Street, Vancouver, British Columbia, as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix the remuneration to be paid to the auditor. The Board appointed KPMG LLP as auditors of the Company effective December 10, 2019.

## Approval of Omnibus Equity Incentive Plan

At the 2021 annual general meeting, the shareholders re-approved the Company's stock option plan. In accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), a plan with a rolling ten (10%) maximum must be confirmed by the Shareholders at each annual general meeting.

At this year's Meeting, the Shareholders will be asked to approve the adoption of a new omnibus equity incentive plan (the "**Compensation Plan**") for directors, officers, employees, management company employees and consultants. The Compensation Plan includes the ability to issue stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**"), and deferred share units ("**DSUs**", and together with Options, RSUs, PSUs, the "**Awards**"). The aggregate number of Shares reserved for issuance in respect of Options shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an Option is granted. The aggregate number of Shares issuable in respect of RSUs, PSUs and DSUs is proposed to be 22,489,047 Shares. If implemented by the Company, the Compensation Plan will replace the existing stock option plan.

The purpose of the Compensation Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The Compensation Plan is considered an "evergreen" plan, since Options which have been exercised, cancelled, terminated, surrendered, forfeited or expired without being exercised shall be available for subsequent grants under the Compensation Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.

At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the Compensation Plan to accommodate the Exchange's policies governing security-based compensation plans. The following is a summary of certain provisions of the Compensation Plan and is subject to, and qualified in its entirety by, the full text of the Compensation Plan, a copy of which is attached hereto as Schedule B:

Type of Awards: Awards of Options, RSUs, PSUs and DSUs may be made under the Compensation Plan. All of the Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Compensation Plan, and will generally be evidenced by an award agreement.

Each Option entitles a holder thereof to purchase a prescribed number of Shares at an exercise price determined by the Board at the time of the grant of the Option, which includes an ISO.

ISOs are available only for Participants who are employees of the Company, or a "parent corporation" or "subsidiary corporation" (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. A Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as otherwise provided herein. A Participant's employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing referenced herein will be deemed to extend the original expiry date of an Option. A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the Code, Shares accounting for more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an ISO unless (i) the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and (ii) the Option is not exercisable after the expiration of five years from the date of grant. To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable award agreement.

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

Eligible Participants. Awards may be granted under the Compensation Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the “**Directors**”), employees of the Company or its subsidiaries (collectively, the “**Employees**”) or consultants of the Company or its subsidiaries (collectively, the “**Consultants**”). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be granted Awards under the Plan.

Number of Shares Reserved. The aggregate number of Shares reserved for issuance in respect of Options shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an Option is granted. The aggregate number of Shares issuable in respect of RSUs, PSUs and DSUs is proposed to be 22,489,047 Shares. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Compensation Plan.

Limitations. Under the Compensation Plan, the aggregate number of Shares that are issuable pursuant to all Awards granted or issued to any one person (including companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date the Award is granted or issued to the person. The aggregate number of Shares that are issuable pursuant to all Awards granted or issued to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated at the date the Award is granted or issued. The aggregate number of Shares issuable pursuant to all Awards granted or issued to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12-month period, calculated at the date an Award is granted or issued to any such person. Disinterested shareholder approval will be required for any grant of Awards which will result in the number of Shares issuable pursuant to all Awards granted or issued to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding Shares of the Company.

Exercise Price. The exercise price of Options granted under the Compensation Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in Exchange policy manual, or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Cashless Exercise. Subject to the rules and policies of the TSX-V, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to engage a broker to sell such number of Shares as is necessary to raise an amount equal to the aggregate exercise price for all Options being exercised by that Participant and any applicable tax withholdings. Pursuant to the award agreement, the Participant may authorize the broker to sell shares on the open market and forward the proceeds to the Company to satisfy the exercise price and any applicable tax withholdings, promptly following which the Company shall issue the Shares underlying the number of Options as provided for in the award agreement. In the event the Company permits a Participant to exercise a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the *Income Tax Act* (Canada)

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the Compensation Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested Shareholder approval will be required for any extension to stock options granted to individuals that are Insiders at the time of the proposed amendment.

Deferment. Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of RSUs, the Participant must provide written notice to the Company within three business days of the Vesting Date. Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of PSUs, the Participant must provide written notice to the Company within three business days of the Determination Date (as defined in the Compensation Plan).

Vesting. All Options granted pursuant to the Compensation Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period. No Awards issued pursuant to the Compensation Plan, other than Options, may vest before the date that is one year following the date it is granted or issued.

Termination.

#### *Options*

Any Options granted pursuant to the Compensation Plan will terminate at the end of the term of the Option. Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the Participant under the Compensation Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Compensation Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date.

#### *RSUs*

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all RSUs granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the Compensation Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Compensation Plan.

#### *PSUs*

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance have been

satisfied in that portion of the performance cycle that has lapsed.

#### *DSUs*

Upon a Participant ceasing to be a Participant by reason of Termination for Cause, the Participant's participation in the Compensation Plan shall be terminated immediately, all DSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested DSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled DSUs that have not vested. "Termination for Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination. For the purposes of the Compensation Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant.

Adjustments. Any adjustment to Awards granted or issued (except in relation to a consolidation or share split) must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. The Company will seek Disinterested Shareholder approval in respect of any material amendment to the Compensation Plan.

The Compensation Plan is subject to the approval of the Exchange and if the Exchange finds the disclosure in this Information Circular to be inadequate, then the Shareholder approval may not be accepted by the Exchange. On September 8, 2022, the Company received conditional approval to the Compensation Plan from the Exchange.

**The implementation of the Compensation Plan remains subject to the ratification of the shareholders of the Company and final approval of the Exchange.**

#### ***The Compensation Plan Resolution***

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution (the "**Compensation Plan Resolution**"):

"BE IT RESOLVED as an ordinary resolution THAT:

- (a) the Company's 2022 omnibus equity incentive plan, adopted by the board of directors of the Company effective as of September 6, 2022 (the "**Compensation Plan**"), in substantially the form attached as Schedule B to the management information circular of the Company dated September 21, 2022, be and is hereby confirmed, ratified and approved, and the Company has the ability to grant awards under the Compensation Plan;
- (b) the board of directors of the Company be authorized in its absolute discretion to administer the Compensation Plan, and amend or modify the Compensation Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange;
- (c) all issued and outstanding stock options of the Company previously granted shall be continued under and governed by the Compensation Plan; and
- (d) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution."

Management recommends that Shareholders approve the Compensation Plan Resolution. If the Compensation Plan Resolution is approved by Shareholders, the Directors will have the authority, in their sole discretion, to implement or revoke the Compensation Plan Resolution and otherwise implement or abandon the Compensation Plan.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the Compensation Plan Resolution.**

## OTHER BUSINESS

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

## EXECUTIVE COMPENSATION

Except where otherwise indicated, the information contained herein is stated as of December 31, 2021.

For the purposes set out below a “Named Executive Officer” or “NEO” means:

- (a) the Company’s chief executive officer (“CEO”);
- (b) the Company’s chief financial officer (“CFO”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under subsection (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at December 31, 2021, the end of the most recently completed financial year of the Company, the Company had four NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

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

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO and director for each of the Company’s two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John Proust</b> <sup>(1)</sup> <i>CEO, Chairman and Director</i>	2021	288,000	Nil	Nil	Nil	Nil	288,000
	2020	288,000	Nil	Nil	Nil	Nil	288,000
<b>Vincent Boon</b> <sup>(2)</sup> <i>CFO</i>	2021	96,000	Nil	Nil	Nil	Nil	96,000
	2020	60,000	Nil	Nil	Nil	Nil	60,000
<b>Andrew Rowe</b> <i>Vice President, Exploration</i>	2021	187,129	Nil	Nil	Nil	Nil	187,129
	2020	231,843	Nil	Nil	Nil	Nil	231,843

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Takashi Kuriyama</b> <i>General Manager Exploration</i>	2021	164,488	Nil	Nil	Nil	Nil	164,488
	2020	177,840	Nil	Nil	Nil	Nil	177,840
<b>Mitsuhiko Yamada</b> <sup>(3)</sup> <i>Director</i>	2021	168,000	Nil	Nil	Nil	Nil	168,000
	2020	168,000	Nil	Nil	Nil	Nil	168,000
<b>Murray Flanigan</b> <i>Director</i>	2021	30,000	Nil	Nil	Nil	Nil	30,000
	2020	30,000	Nil	Nil	Nil	Nil	30,000
<b>Paul Harbidge</b> <sup>(4)</sup> <i>Director</i>	2021	30,000	Nil	Nil	Nil	Nil	30,000
	2020	7,500	Nil	Nil	Nil	Nil	7,500
<b>Tanneke Heersche</b> <sup>(5)</sup> <i>Director</i>	2021	7,500	Nil	Nil	Nil	Nil	7,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Michael Carrick</b> <sup>(6)</sup> <i>Director</i>	2021	7,500	Nil	Nil	Nil	Nil	7,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ian Burney</b> <sup>(7)</sup> <i>Director</i>	2021	7,500	Nil	Nil	Nil	Nil	7,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Carlile</b> <sup>(8)</sup> <i>Former Director</i>	2021	22,500	Nil	Nil	Nil	Nil	22,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Robert Gallagher</b> <sup>(9)</sup> <i>Former Director</i>	2021	22,500	Nil	Nil	Nil	Nil	22,500
	2020	30,000	Nil	Nil	Nil	Nil	30,000
<b>Michael Andrews</b> <sup>(10)</sup> <i>Former Director</i>	2021	22,500	Nil	Nil	Nil	Nil	22,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sally Eyre</b> <sup>(11)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	26,250	Nil	Nil	Nil	Nil	26,250

**Notes:**

- (1) John Proust received compensation in the total amount of \$288,000 for the year ended 2021 in his position as CEO and received compensation in the total amount of \$Nil for the year ended 2021 in his position as a director of the Company.
- (2) Eileen Au was appointed as Corporate Secretary in place of Vincent Boon on October 21, 2021.
- (3) Mitsuhiko Yamada is also the representing director of Japan Gold KK, a wholly-owned subsidiary of the Company.
- (4) Paul Harbidge was appointed as a director on November 17, 2020.
- (5) Tanneke Heersche was elected as a director of the Company at the 2021 AGM on October 21, 2021.
- (6) Michael Carrick was elected as a director of the Company at the 2021 AGM on October 21, 2021.
- (7) Ian Burney was elected as a director of the Company at the 2021 AGM on October 21, 2021.
- (8) John Carlile resigned as the Executive Vice President on March 25, 2020 and did not stand for re-election at the Company's annual general meeting held on October 21, 2021.
- (9) Robert Gallagher did not stand for re-election at the Company's annual general meeting held on October 21, 2021.
- (10) Michael Andrews resigned as the President and Chief Operating Officer on March 25, 2020 and did not stand for re-election at the Company's annual general meeting held on October 21, 2021.
- (11) Sally Eyre resigned as a director on November 17, 2020.

## External management companies

John Proust, CEO and Vincent Boon, CFO are not employees of the Company. On September 16, 2016, the Company entered into a consulting services agreement (the “**JPA Consulting Agreement**”) with J. Proust & Associates Inc. (“**JPA**”) pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide finance, accounting and administrative services including the provision of a Chief Executive Officer, Chief Financial Officer, Corporate Secretary, controller and accountant. JPA is a private British Columbia company beneficially owned by John Proust. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA, commencing February 15, 2018, \$50,000 plus GST monthly, which may be revised from time to time upon mutual agreement of the parties. Commencing January 2021, the Company paid fees for CEO services to JPA and the Company paid fees for the remaining services to Portland Management Inc. (“**PMI**”), a private company beneficially owned by John Proust.

During the financial year ended December 31, 2021, Mr. Proust received compensation in the amount of \$288,000 for services performed as Chief Executive Officer and Mr. Boon received compensation in the amount of \$96,000 for services performed as Chief Financial Officer and former Corporate Secretary.

Effective January 1, 2022, the Company entered into an amended and restated consulting services agreement (the “**Amended and Restated JPA Consulting Agreement**”) with JPA pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide finance, accounting and administrative services to the Company including the provision of a Chief Executive Officer in order to comply with public listing requirements of the Exchange. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA a fee of \$29,000 plus GST monthly, which may be revised from time to time upon mutual written agreement of the parties.

Effective January 1, 2022, the Company entered into a consulting services agreement (the “**PMI Agreement**”) with PMI pursuant to which the Company agreed to retain the services of PMI as an independent contractor and PMI agreed to provide business advisory, finance, accounting and administrative services to the Company including the provision of a Chief Financial Officer, Corporate Secretary, controller and accountant. In consideration for PMI providing the services to the Company, the Company agreed to pay PMI a fee of \$32,000 plus GST monthly, which may be revised from time to time upon mutual written agreement of the parties.

Following the Compensation Committee’s review of the compensation levels of the Company’s CEO, CFO, and Corporate Secretary against publicly available compensation levels of executive officers of mineral exploration companies of a similar size at a similar stage of development, the Compensation Committee recommended to the Board that the compensation of the Company’s CEO, CFO, and Corporate Secretary be adjusted. On July 4, 2022, the Board approved that effective as of January 1, 2022, the total annual compensation for the CEO be increased from \$288,000 to \$348,000, the total annual compensation for the CFO be increased from \$96,000 to \$180,000, and the total annual compensation for the corporate secretary be increased from \$48,000 to \$72,000.

## Stock Options and Other Compensation Securities

The following table contains information on compensation securities that were granted or issued to the directors and NEOs of the Company by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>John Proust</b> <sup>(1)</sup> <i>CEO, Chairman and Director</i>	Options	1,500,000 Options <sup>(11)</sup>  1,500,000 underlying Shares  6.89% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Vincent Boon</b> <sup>(2)</sup> <i>CFO</i>	Options	150,000 Options <sup>(11)</sup>  150,000 underlying Shares  0.69% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Andrew Rowe</b> <sup>(3)</sup> <i>Vice President, Exploration</i>	Options	700,000 Options <sup>(11)</sup>  700,000 underlying Shares  3.21% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Takashi Kuriyama</b> <sup>(4)</sup> <i>General Manager Exploration</i>	Options	300,000 Options <sup>(11)</sup>  300,000 underlying Shares  1.38% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Mitsuhiko Yamada</b> <sup>(5)</sup> <i>Director</i>	Options	250,000 Options <sup>(11)</sup>  250,000 underlying Shares  1.15% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Murray Flanigan</b> <sup>(6)</sup> <i>Director</i>	Options	250,000 Options <sup>(11)</sup>  250,000 underlying Shares  1.15% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Paul Harbidge</b> <sup>(7)</sup> <i>Director</i>	Options	250,000 Options <sup>(11)</sup>  250,000 underlying Shares  1.15% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Tanneke Heersche</b> <sup>(8)</sup> <i>Director</i>	Options	200,000 Options <sup>(11)</sup>  200,000 underlying Shares  0.92% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Michael Carrick</b> <sup>(9)</sup> <i>Director</i>	Options	200,000 Options <sup>(11)</sup>  200,000 underlying Shares  0.92% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026
<b>Ian Burney</b> <sup>(10)</sup> <i>Director</i>	Options	200,000 Options <sup>(11)</sup>  200,000 underlying Shares  0.92% <sup>(12)</sup>	December 23, 2021	\$0.35	\$0.27	\$0.285	December 23, 2026

**Notes:**

- (1) As at December 31, 2021, John Proust owned an aggregate of 6,000,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (2) As at December 31, 2021, Vincent Boon owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (3) As at December 31, 2021, Andrew Rowe owned an aggregate of 1,900,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (4) As at December 31, 2021, Takashi Kuriyama owned an aggregate of 700,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (5) As at December 31, 2021, Mitsuhiko Yamada owned an aggregate of 850,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (6) As at December 31, 2021, Murray Flanigan owned an aggregate of 600,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (7) As at December 31, 2021, Paul Harbidge owned an aggregate of 750,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (8) As at December 31, 2021, Tanneke Heersche owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (9) As at December 31, 2021, Michael Carrick owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.

- (10) As at December 31, 2021, Ian Burney owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which is exercisable into one Common Share.
- (11) 1/3 of the options will vest immediately on the date of grant, with 1/3 of the options vesting every 6 months thereafter.
- (12) Based on the Company's outstanding options in the amount of 21,780,000 as at December 31, 2021.

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

### **Stock option plans and other incentive plans**

The Company's stock option plan (the "**Plan**") was previously approved by shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Shareholders held on October 21, 2021. The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan. Shareholders may also obtain copies of the Plan from the Company on written request.

Eligible Participants. Options may be granted under the Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the "**Directors**"), employees of the Company or its subsidiaries (collectively, the "**Employees**") or consultants of the Company or its subsidiaries (collectively, the "**Consultants**"). The board of directors (the "**Board**"), in its discretion, determines which of the Directors, Employees or Consultants will be awarded options under the Plan.

Number of Shares Reserved. The number of common shares in the capital of the Company (the "**Common Shares**") which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares at the date of granting of options (including all options granted by the Company prior to the adoption of the Plan and under the Plan). Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of options granted to any one individual in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date the option is granted. The aggregate number of options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12-month period, calculated at the date an option is granted to any such person.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Exercise Price. The exercise price of options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the TSX Venture Exchange policy manual or such other minimum price as is permitted by the TSX Venture Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the TSX Venture Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of stock options granted to insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Vesting. All options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

Termination. Any options granted pursuant to the Plan will terminate upon the earliest of:

- (a) the end of the term of the option;
- (b) on the date the holder ceases to be eligible to hold the option (the "**Cessation Date**"), if the Cessation Date is as a result of dismissal for cause or regulatory sanction;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) on such other date as fixed by the Board, provided that the date is no more than 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

At this year's Meeting, Shareholders will be asked to approve the adoption of the Compensation Plan. If implemented by the Company, the Compensation Plan will replace the existing Plan.

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

On September 16, 2016, the Company entered into the JPA Consulting Agreement with JPA pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide finance, accounting and administrative services including the provision of a Chief Executive Officer, Chief Financial Officer, Corporate Secretary, controller and accountant. JPA is a private British Columbia company beneficially owned by John Proust. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA, commencing February 15, 2018, \$50,000 plus GST monthly, which may be revised from time to time upon mutual agreement of the parties. During the financial year ended December 31, 2021, the Company paid a total of \$564,000 to JPA. Either party may, upon 90 days' written notice to the other party, terminate the JPA Consulting Agreement. Commencing January 2021, the Company paid fees for CEO services to JPA and the Company paid fees for the remaining services to PMI.

During the financial year ended December 31, 2021, Mr. Proust received compensation in the amount of \$288,000 for services performed as Chief Executive Officer and Mr. Boon received compensation in the amount of \$96,000 for services performed as Chief Financial Officer and former Corporate Secretary.

Effective January 1, 2022, the Company entered into the Amended and Restated JPA Consulting Agreement pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide finance, accounting and administrative services to the Company including the provision of a Chief Executive Officer in order to comply with public listing requirements of the Exchange. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA a fee of \$29,000 plus GST monthly, which may be revised from time to time upon mutual written agreement of the parties.

Effective January 1, 2022, the Company entered into the PMI Agreement pursuant to which the Company agreed to retain the services of PMI as an independent contractor and PMI agreed to provide business advisory, finance, accounting and administrative services to the Company including the provision of a Chief Financial Officer, Corporate Secretary, controller and accountant. In consideration for PMI providing the services to the Company, the Company agreed to pay PMI a fee of \$32,000 plus GST monthly, which may be revised from time to time upon mutual written agreement of the parties.

On September 1, 2020, the Company entered into a consulting agreement with Takashi Kuriyama pursuant to which Mr. Kuriyama was engaged as the Company's General Manager of Exploration to provide management, analysis and strategic advice related to the development of the Company's gold and copper-gold exploration projects in Japan on a non-exclusive basis. In consideration for the services to be provided by Mr. Kuriyama, the Company has agreed to pay a monthly consulting fee of ¥1,200,000,<sup>1</sup> and a business trip allowance of ¥55,000<sup>2</sup> per day. The agreement contains non-disclosure provisions and automatically renews on an annual basis unless terminated by either party by giving the other party not less than thirty days' written notice.

The Company engaged Andrew Rowe as the Company's Vice President, Exploration to manage the technical planning, project management and operational execution of the Company's projects in Japan. Mr. Rowe is also responsible for budgeting, administration, and recruitment of staff for the Company's office in Japan. In consideration for the consulting services to be provided by Mr. Rowe, the Company has agreed to pay a monthly consulting fee of approximately \$15,600 for his services or at a rate of USD\$900<sup>3</sup> per day. The Company has also agreed to reimburse Mr. Rowe for travel and meal expenses. Either party may terminate the arrangement by providing one months' written notice unless the agreement is terminated for cause. The Company incurred \$187,129 in consulting fees for project evaluation to Mr. Rowe during the year ended December 31, 2021 and the Company paid \$73,612 in consulting fees to Mr. Kuriyama.

On September 16, 2016, and amended November 27, 2017, Japan Gold KK (formerly Southern Arc Minerals Japan KK) (the "Subsidiary"), a wholly owned subsidiary of the Company, entered into a consulting agreement (the "M&S Consulting

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<sup>1</sup> approximately \$13,212 based on exchange rate of C\$1: ¥90.8265 on December 31, 2021.

<sup>2</sup> approximately \$605.55 based on exchange rate of C\$1: ¥90.8265 on December 31, 2021.

<sup>3</sup> approximately \$1,141 based on exchange rate of C\$1: US\$0.7888 on December 31, 2021.

**Agreement**”) with M&S Yamada Consultants, LLC (“**M&S**”) pursuant to which the Subsidiary agreed to retain M&S to provide consulting services from time to time, including providing analysis and strategic advice related to the development of the Subsidiary’s gold and copper-gold exploration projects in Japan. Mr. Mitsuhiro Yamada is a director of the Company and a Managing Member and Representative Member of M&S. Pursuant to the M&S Consulting Agreement, the Subsidiary agreed to pay M&S, commencing November 27, 2017, \$14,000 monthly in consideration for M&S’ services and duties to the Subsidiary. The M&S Consulting Agreement has a term of one year and automatically renews each year until terminated by either party in accordance with the agreement. During the financial year ended December 31, 2021, the Company paid a total of \$168,000 to M&S. Either party may, upon 30 days’ written notice to the other party, terminate the M&S Consulting Agreement. There are no payments triggered by change of control or termination of the M&S Consulting Agreement

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with mineral exploration companies of a similar size at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company’s resources, industry practice and regulatory guidelines regarding executive compensation levels.

To date, the Company has not specified significant elements of compensation tied to any performance criteria awarded to, earned by, paid or payable to each NEO, and no formulas have been developed to assign a specific weighting to any such components. Compensation of NEOs is handled by the Company’s compensation committee (the “**Compensation Committee**”). The Compensation Committee is comprised of two or more “independent” directors, whose primary function is to monitor and make recommendations to the Board in respect of the total compensation paid by the Company to its directors and senior executives. The current members of the Compensation Committee are Murray Flanigan (Chair), Michael Carrick, and Paul Harbidge. The functions of the Compensation Committee are governed by the Company’s compensation committee charter (the “**Compensation Committee Charter**”) which was adopted by the Board on November 23, 2016. Pursuant to the Compensation Committee Charter, the Compensation Committee will review the total compensation (including direct salary and annual bonus as well as long term stock-related incentive plans) paid to each executive officer of the Company on an annual basis. In addition, the Compensation Committee will review and consider corporate goals and objectives relevant to compensation for all executive officers, evaluate the performance of each executive officer in light of those corporate goals and objectives, and determine and/or make recommendations to the Board with respect to the level of compensation for the executive officers based on this evaluation. The Committee also review annually, and submit to the Board for its approval, the compensation to be paid to members of the Board as directors, in light of director compensation guidelines established by the Board.

The Compensation Committee has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board and/or Compensation Committee may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board and/or Compensation Committee may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value.

The base compensation of the executive officers is reviewed and set annually by the Board based on recommendations by the Compensation Committee. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board, with recommendations from the Compensation Committee, from time to time determine the stock option grants to be made pursuant to the Company’s stock option plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company’s financial resources and prospects.

In determining the compensation paid to the Company's NEOs for the financial year ended December 31, 2021, the Compensation Committee considered a variety of factors including the long-term interests of the Company and its shareholders, the implications of the risks associated with the Company's compensation policies and practices in light of the financial performance of the Company, the overall financial and operating performance of the Company and the Compensation Committee's assessment of each NEO's individual performance and contribution toward meeting corporate objectives.

The Company does not anticipate any significant changes to the Company's compensation policies that could or will have an effect on director or named executive officer compensation.

#### **Pension Disclosure**

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

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information as at the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by Shareholders (Stock Option Plan)	21,780,000	\$0.30	709,048
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
<b>Total:</b>	21,780,000	-	709,048

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Since the beginning of the most recently completed financial year, none of the directors, executive officers, employees, proposed nominees for election as directors or their associates have been indebted to the Company.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed below, no informed person (a director, officer or holder of 10% or more of the Common Shares) 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 since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

John Proust beneficially owns JPA and PMI and has an interest in the Amended and Restated JPA Consulting Agreement and the PMI Agreement.

Mitsuhiko Yamada is a director of the Company and a Managing Member and Representative Member of M&S and has an interest in the M&S Consulting Agreement.

#### **MANAGEMENT CONTRACTS**

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than the directors or executive officers of the Company or subsidiary.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

The Board currently consists of seven members, John Proust, Michael Carrick, Murray Flanigan, Paul Harbidge, Tanneke Heersche, Ian Burney, and Mitsuhiro Yamada.

The Board has concluded that five directors, Tanneke Heersche, Michael Carrick, Ian Burney, Paul Harbidge, and Murray Flanigan are “independent” for purposes of membership on the Board, as provided in NI 58-101. John Proust, CEO and Chairman of the Company and Mitsuhiro Yamada, representing director of Japan Gold KK, are not “independent” for the purposes of membership on the Board, as provided in NI 58-101.

There are no regularly scheduled meetings of independent directors. The Board facilitates open and candid discussion among its independent directors through collective communication among its directors and management.

### Other Directorships

The following table sets forth the current directors of the Company who are also directors of other reporting issuers:

Name	Name of other reporting issuer
John Proust	Lincoln Ventures Ltd. Southern Arc Minerals Inc. Rise Gold Corp.
Murray Flanigan	Lincoln Ventures Ltd. Rise Gold Corp.
Paul Harbidge	Faraday Copper Corp.
Michael Carrick	RTG Mining Inc.

### Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

### Ethical Business Conduct

The Board has adopted a formal code of business conduct and ethics (the “Code”) with the goal of promoting the highest moral, legal and ethical standards and conduct within the Company. Compliance with the Code and high standards of business conduct is mandatory for every director, officer, employee and consultant of the Company. The Code provides general parameters to help directors, officers, employees and consultants regarding matters including: (a) honest and ethical conduct, (b) full, fair, accurate, timely and understandable disclosure, (c) compliance with laws, rules and regulations, and (d) administration.

The Board has also adopted a formal whistle-blower policy (the “Whistle-Blower Policy”) which addresses the Company’s commitment to ethical behavior by helping to foster and maintain an environment where all persons can act in confidence, without fear of retaliation. The Whistle-Blower Policy is intended to supplement Section E - *Administration* of the Code. The Whistle-Blower Policy sets out procedures for reporting, receiving, and investigating complaints relating to (i) the Code of Business Conduct of a director, an officer or a consultant of the Company or other third party, and (ii) questionable accounting, internal controls and procedures or auditing matters relating to the Company.

## **Nomination of Directors**

The Board has adopted a corporate governance/nominating committee charter. The Company's corporate governance/nominating committee is comprised of Murray Flanigan (Chair), Tanneke Heersche, Mitsuhiko Yamada, and John Proust. The principal purpose of the corporate governance/nominating committee is to provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and the investment community by doing the following: (a) developing and recommending to the Board corporate governance principles applicable to the Company; (b) identifying and recommending qualified individuals for nomination to the Board for the next annual meeting of shareholders; and (c) providing such assistance as the Chair of the Board, or alternatively the lead director of the Board, may require.

## **Compensation**

The Company's compensation committee is comprised of Murray Flanigan (Chair), Michael Carrick, and Paul Harbidge. The Board has adopted a compensation committee charter. The compensation committee is responsible for reviewing and determining the adequacy and form of compensation paid to the Company's directors, executives and key employees. The compensation committee members evaluate the performance of senior management measured against the Company's business goals and industry compensation levels. The compensation committee is also responsible for and has authority to administer the Company's stock option plan and to make all decisions regarding option grants, including option terms and amendments, thereunder.

## **Board Committees**

The Board has no committees other than the audit committee, compensation committee, and corporate governance/nominating committee.

## **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives a report from the audit committee respecting its effectiveness. As part of the assessments, the Board or the audit committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## **AUDIT COMMITTEE**

### **Audit Committee Disclosure**

Pursuant to Section 224(1) of the *Business Corporations Act* (British Columbia) and National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") the Company is required to have an audit committee (the "**Committee**") comprising not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company's financial reporting processes generally. In meeting these responsibilities the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Committee is also mandated to review and approve all material related party transactions.

### **The Audit Committee's Charter**

The Company has adopted a Charter of the Audit Committee of the Board a copy of which is annexed hereto as Schedule "A".

## **Composition of the Audit Committee**

The Committee comprises of the following members: Murray Flanigan (Chair), Michael Carrick, and John Proust. Mr. Flanigan and Mr. Carrick are considered to be independent. Mr. Proust is not considered independent as he is also the Chief Executive Officer of the Company. In addition, each member of the Committee is considered to be financially literate as defined by NI 52-110 in that they have 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 presumably be expected to be raised by the Company's financial statements.

The members of the Committee are elected by the Board at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Board, the members of the Committee designate a chair by a majority vote of the full Committee membership.

## **Relevant Education and Experience**

*Murray Flanigan* – Mr. Flanigan is a management consultant providing financial advisory services to several public and private mining and technology companies in North America and abroad. Mr. Flanigan is a Chartered Professional Accountant and a Chartered Financial Analyst with expertise in corporate finance, mergers and acquisitions, international taxation, risk management, banking, treasury, corporate restructuring and accounting, and has served as Chief Financial Officer for various public and private companies. Mr. Flanigan is formerly a Managing Principal and the CFO of Kepis & Pobe Financial Group Inc., where he was responsible for all aspects of the company's accounting, financing, treasury, tax, and legal affairs including overseeing the company's corporate development activities. Mr. Flanigan is also the Chief Financial Officer of Central African Gold Inc., a publicly traded mining and exploration company developing gold, copper and cobalt resources in the Democratic Republic of the Congo. Prior to founding his own consulting company, Mr. Flanigan served as Senior Vice President, Corporate Development and CFO of Qwest Investment Management Corp., where he was responsible for regulatory reporting and corporate filings for over 15 private and publicly listed companies and limited partnerships in Qwest's portfolio, as well as arranging and closing numerous equity and debt financings. Mr. Flanigan also served as VP Corporate Development for Adelphia Communications Corporation, overseeing the company's financial restructuring and ultimate sale to Time Warner Inc. and Comcast Corporation for approximately US\$18 billion.

*Michael Carrick* – Mr. Carrick is a Chartered Accountant with over 30 years of experience in the resources sector. He holds a degree in Commerce from the University of Natal, and an Accounting and Finance degree from the University of the Witwatersrand, and is a member of the Institute of Chartered Accountants both in South Africa and in Australia. Mr. Carrick was a senior international partner of accounting firm Arthur Andersen. Mr. Carrick is currently Chairman of RTG Mining Inc. and has been responsible for the development of seven major gold mines in five countries around the world including the development of the largest gold mine in the Philippines.##

*John Proust* – Mr. Proust is the founder and principal shareholder of numerous public and private companies. He has directed, managed and advised public and private companies regarding corporate strategy and structure, debt and equity financing, mergers and acquisitions, and corporate restructuring since 1986. Mr. Proust has held senior positions and served on the boards of many private and TSXV / CSE listed companies. This experience has provided Mr. Proust with an understanding of the accounting principles used by the Company to prepare its financial statements. Mr. Proust's experience also allows him to analyze or evaluate the Company's financial statements.

## **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

## **Reliance on Certain Exemptions**

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

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*), which provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;

- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), which provides an exemption from the requirements for the composition of the audit committee if a circumstance arises that affects the business or operations of the venture issuer, and a reasonable person would conclude that the circumstance can be best addressed by a member of the audit committee becoming an executive officer or employee of the venture issuer;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), which provides an exemption from the requirements for the composition of the audit committee for if an audit committee member becomes a control person of the venture issuer or of an affiliate of the venture issuer for reasons outside the member’s reasonable control;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), which provides an exemption from the requirements for the composition of the audit committee if a vacancy on the audit committee arises as a result of the death, incapacity or resignation of an audit committee member and the Board is required to fill the vacancy; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110, which permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**Pre-approval Policies and Procedures**

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Committee, on a case-by-case basis.

**External Auditor Service Fees**

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

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2021	\$79,064	-	-	-
2020	\$73,932	-	-	-

**Exemption**

The Company is relying on section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s comparative annual financial statements and management’s discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to Suite 650 – 669 Howe Street, Vancouver, British Columbia, Canada, V6C 0B4.

**DIRECTORS’ APPROVAL**

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board.

**ON BEHALF OF THE BOARD OF DIRECTORS**

“*John Proust*”  
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 John Proust  
 Chief Executive Officer

## Schedule “A”

### Charter of the Audit Committee of the Board of Directors of Japan Gold Corp. (the “Company”)

#### AUDIT COMMITTEE CHARTER

##### **Purpose**

The overall purpose of the Audit Committee (the “Committee”) of **Japan Gold Corp.** (formerly SKY RIDGE RESOURCES LTD. or the “Company”) is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board of Directors that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board of Directors and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

##### **Composition, Procedures and Organization**

- (1) The Committee shall consist of at least three members of the Board of Directors (the “Board”).
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, 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.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### **Responsibilities and Duties**

- (9) The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - i. contents of their report;
    - ii. scope and quality of the audit work performed;
    - iii. adequacy of the Company's financial and auditing personnel;
    - iv. cooperation received from the Company's personnel during the audit;
    - v. internal resources used;
    - vi. significant transactions outside of the normal business of the Company;
    - vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - viii. the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - i. the annual report to Shareholders;
    - ii. the annual information form, if required;
    - iii. annual and interim MD&A;
    - iv. prospectuses;
    - v. news releases discussing financial results of the Company; and
    - vi. other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any Committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

(13) The Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the Committee; and
- (c) to communicate directly with the internal and external auditors.

**Schedule "B"**

*[See attached]*

**JAPAN GOLD CORP.**  
(the “Company”)

**2022 EQUITY INCENTIVE PLAN**

**SECTION 1**  
**ESTABLISHMENT AND PURPOSE OF THIS PLAN**

**1.1 Purpose**

The purpose of this equity incentive plan (the “Plan”) is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of Eligible Persons; (ii) encouraging such Eligible Persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

**SECTION 2**  
**DEFINITIONS**

**2.1 Definitions**

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

- (a) “**Award**” means any award of Options, RSUs, PSUs or DSUs granted under this Plan;
- (b) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (c) “**Blackout Period**” means a period of time during which the Company prohibits Participants from exercising, redeeming or settling an Award due to the existence of undisclosed material information and pursuant to a formal notice provided by the Company under a trading policy, which Blackout Period must expire promptly following general disclosure of the undisclosed material information;
- (d) “**Board**” means the board of directors of the Company or, if the context permits, any of its Subsidiaries, as applicable;
- (e) “**Cashless Exercise Right**” has the meaning ascribed thereto in section 5.1(m);
- (f) “**Change of Control**” means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities (as such terms are interpreted 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 person “acting jointly or in concert” with another person, as that phrase is interpreted in National Instrument 62-103, totals for the first time not less than fifty (50%) percent 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;
- (g) “**Company**” means Japan Gold Corp., a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (h) “**Consultant**” means a Person (other than a Director, Officer or Employee) that:

- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary of the Company, other than services provided in relation to a distribution (as defined in the *Securities Act*);
- (ii) provides the services under a written contract between the Company or any of its Subsidiaries and the Person, as the case may be; and
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or any of its Subsidiaries;

and includes:

- (iv) for a Person that is an individual, a corporation of which such individual is the sole shareholder;
- (i) **“Deferred Share Unit” or “DSU”** means a right granted to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, all as provided in Section 5.4 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (j) **“Determination Date”** means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (k) **“Director”** means a member of the Company’s Board or the Board of any of its Subsidiaries;
- (l) **“Discounted Market Price”** means the Market Price less the discount set forth below, subject to a minimum price of \$0.10:

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 to \$2.00	20%
above \$2.00	15%

- (m) **“Disability”** means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (n) **“Effective Date”** has the meaning ascribed thereto in Section 8;
- (o) **“Election Form”** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;
- (p) **“Eligible Person”**, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries but, when used in connection with PSUs, RSUs or DSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;
- (q) **“Employee”** means:

- (i) an individual who is considered an employee of the Company or any of its Subsidiaries under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source, or, with respect to U.S. Participants, an individual considered an employee of the Company or any of its Subsidiaries under 26 CFR §31.3401(c)-1, or equivalent legislation in the jurisdiction where the employee works, and for whom income tax, employment insurance, and similar deductions must be made at source;
- (ii) an individual who works full-time for the Company or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its Subsidiaries over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Company or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week acceptable to the Exchange, who provides services normally provided by an employee and is subject to the same control and direction by the Company or its Subsidiary over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source;
- (r) “**Exchange**” means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (s) “**Fees**” means the annual Board retainer, chair fees, meeting attendance fees or any other fees payable to a Director;
- (t) “**Grant Date**” means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (u) “**Insider**” has the meaning attributed to it in the Securities Act;
- (v) “**Investor Relations Activities**” means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
    - (A) to promote the sale of products or services of the Company; or
    - (B) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
  - (ii) activities or communications necessary to comply with the requirements of:
    - (A) applicable securities laws; or
    - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;

- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
  - (A) the communication is only through the newspaper, magazine or publication; and
  - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange;
- (w) **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities
- (x) **“ISO”** means an Option that is granted to a U.S. Participant intended to constitute an incentive stock option within the meaning of Section 422 of the U.S. Tax Code, as described in Section 5.1(n);
- (y) **“Management Company Employee”** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the Company’s business enterprise;
- (z) **“Market Price”** means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the Grant Date);
- (aa) **“Market Unit Price”** means the value of a Share determined by reference to the five-day volume-weighted average closing price of a Share for the five Trading Day period immediately preceding the relevant date;
- (bb) **“Officer”** means an officer (as defined in the Securities Act or, where the Securities Act does not apply, by other applicable securities laws) of the Company or any of its Subsidiaries;
- (cc) **“Option”** means incentive share purchase options entitling the holder thereof to purchase Shares at a specified price for a specified period of time, and includes an ISO;
- (dd) **“Participant”** means any Eligible Person to whom Awards under this Plan are granted;
- (ee) **“Participant’s Account”** means a notional account maintained for each Participant’s participation in this Plan which will show any RSUs, PSUs and/or DSUs credited to a Participant from time to time;
- (ff) **“Performance-Based Award”** means, collectively or as applicable, Performance Share Units, Restricted Share Units and Deferred Share Units;
- (gg) **“Performance Criteria”** means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of Performance Share Units;

- (hh) “**Performance Cycle**” means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (ii) “**Performance Share Unit**” or “**PSU**” means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (jj) “**Person**” means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (kk) “**Restriction Period**” means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months;
- (ll) “**Restricted Share Unit**” or “**RSU**” means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (mm) “**Retirement**” means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary, and more particularly, for U.S. Participants, means Separation from Service, other than due to death or by action of the Company for Cause (including if the Company determines after the date of the Separation from Service that it could have terminated the U.S. Participant for Cause), after the U.S. Participant has attained either age 65 or age 55 with at least 10 years of service with the Company
- (nn) “**Securities Act**” means the *Securities Act* (British Columbia), as amended, from time to time;
- (oo) “**Security-Based Compensation Arrangement**” shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option plan, including this Plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (pp) “**Separation from Service**” has, with respect to a U.S. Participant, the meaning set forth in Section 409A of the U.S. Tax Code.
- (qq) “**Shares**” means the common shares of the Company;
- (rr) “**Subsidiary**” means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (ss) “**Termination Date**” means, as applicable:

- (i) in the event of a Participant's Retirement, voluntary termination, voluntary resignation or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and
- (ii) in the event of termination of the Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (tt) **"Trading Day"** means any day on which the Exchange is open for trading; and
- (uu) **"Vesting Date"** means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.
- (vv) **"U.S. Participant"** means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the United States Internal Revenue Code of 1986, as amended, or the Canada-U.S. Income Tax Convention, as amended; and
- (ww) **"U.S. Tax Code"** means the United States Internal Revenue Code of 1986, as amended.

### **SECTION 3 ADMINISTRATION**

#### **3.1 Board to Administer Plan**

Except as otherwise provided herein, this Plan shall be administered by the Board of the Company (and, for clarity, not by the Board of any subsidiary of the Company) and the Board of the Company shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board of the Company may deem necessary in order to comply with the requirements of this Plan.

#### **3.2 Delegation to Committee**

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by such committee as the Board may determine.

#### **3.3 Interpretation**

All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.

#### **3.4 No Liability**

No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for

the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

## **SECTION 4 SHARES AVAILABLE FOR AWARDS**

### **4.1 Limitations on Shares Available for Issuance**

- (a) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) in respect of Options shall not exceed 10% of the Company's then total issued and outstanding Shares calculated as at the date of any grant and in accordance with the Policies of the Exchange.
- (b) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) in respect of Performance-Based Awards shall not exceed 22,489,047.
- (c) Notwithstanding anything to the contrary, the maximum number of Shares issuable pursuant to ISOs under this Plan shall be the lesser of the 10%, as set out in 4.1(a), or 22,489,047, subject to adjustment pursuant to Section 4.3.
- (d) So long as it may be required by the rules and policies of the Exchange:
  - (i) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any Participant under this Plan, within any 12 month period, together with Shares reserved for issuance to such Participant (and to Companies wholly-owned by that Participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
  - (ii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, within any 12 month period, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
  - (iii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, at any point in time, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares; and
  - (iv) the maximum aggregate number of Shares issuable to any one Consultant, within any 12 month period, together with Shares issuable to such Consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant); and
  - (v) the maximum aggregate number of Shares issuable pursuant to grants of Options to all Investor Relation Service Providers performing Investor Relations Activities, within any 12 month period, shall not in aggregate exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant). For the avoidance of doubt, Persons performing Investor Relations Activities are only eligible

to receive Options under this Plan; they are not eligible to receive any Performance-Based Award or other type of securities based compensation under this Plan.

## 4.2 Accounting for Awards

For purposes of this Section 4:

- (a) if an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
- (b) notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

## 4.3 Anti-Dilution

If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may, subject to the prior acceptance of the Exchange in the case of a recapitalization, make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Options, RSUs, PSUs or DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

# SECTION 5 AWARDS

## 5.1 Options

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to an Eligible Person shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Option shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- (b) Exercise Price - The exercise price of an Option granted under this Plan shall not be less than the Discounted Market Price, provided that if an Option is proposed to be granted by the Company which has just been recalled for trading following a suspension or halt, the Company must wait at least ten Trading Days since the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option.
- (c) Expiry Date - Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the Grant Date.
- (d) Different Exercise Periods, Prices and Number - The Board may, in its absolute discretion, upon granting Options under this Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise his option during each respective time period.

- (e) Vesting - Subject to the discretion of the Board, the Options granted to a Participant under this Plan shall vest as determined by the Board on the Grant Date of such Options. If the Board does not specify a vesting schedule at the Grant Date, then Options granted to persons other than those conducting Investor Relations Activities shall vest fully on the Grant Date, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:
- (i) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
  - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Grant Date.
- (f) Change of Control – If the Award Agreement so provides, in the event of a Change of Control, all Options granted to a Participant who ceases to be an Eligible Person shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.1(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.
- (g) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.1(l) hereof.
- (h) Termination of Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Options granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an Eligible Person, or such longer period as may

be provided for in the Award Agreement or as may be determined by the Board provided such period does not exceed 12 months after the Termination Date.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Options under this Plan shall cease as of the Termination Date.
- (i) Disability - Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options; *provided, however*, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will accrue to the Participant in accordance with Section 5.1(1) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Termination Date, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board.
- (j) Hold Period - In addition to any resale restrictions under applicable legislation or regulation, all Options granted hereunder and all Shares issued on the exercise of such Options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date].”
- (k) Notice - Options shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- (l) Payment of Award - Subject to any vesting or other limitations described in each individual Award Agreement, Options may be exercised in whole or in part at any time prior to their lapse or termination, by the Participant, or if Section 5.1(g) applies, by the Participant's estate within one year of the death of the Participant, into such number of Shares equal to the number of Options credited to the Participant's Account that become exercisable on the Vesting Date. The exercise price of all Options must be paid in cash. Shares purchased by a Participant on exercise of an Option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).
- (m) Cashless Exercise Right - Subject to the rules and policies of the Exchange, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any,

grants a Participant the right to engage a broker to sell such number of Shares as is necessary to raise an amount equal to the aggregate exercise price for all Options being exercised by that Participant and any applicable tax withholdings. Pursuant to the Award Agreement, the Participant may authorize the broker to sell shares on the open market and forward the proceeds to the Company to satisfy the exercise price and any applicable tax withholdings, promptly following which the Company shall issue the Shares underlying the number of Options as provided for in the Award Agreement. In the event the Company permits a Participant to exercise a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the *Income Tax Act* (Canada).

- (n) ISOs. ISOs are available only for Participants who are employees of the Company, or a “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted, and, notwithstanding this Section 5.1(n), may only be granted in accordance with applicable Securities Laws and regulations and policies of the Exchange. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this Section 5.1(n). A Participant’s employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant’s return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option’s term. Nothing in this Section 5.1(n) will be deemed to extend the original expiry date of an Option. A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares accounting for more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an ISO unless (i) the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and (ii) the Option is not exercisable after the expiration of five (5) years from the date of grant. To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Award Agreement.

## 5.2 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons that do not perform Investor Relations Activities. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant’s Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and

satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.

- (c) Vesting - All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No Restricted Share Units may vest before the date that is one year following the date of the Award.
- (d) Deferment- Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of Restricted Share Units, the Participant must provide written notice (“**RSU Deferral Notice**”) to the Company within three business days of the Vesting Date (the “**RSU Deferral Period**”).
- (e) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5.2(i) hereof.
- (f) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant’s death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant’s death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant’s estate in accordance with Section 5.2(i) hereof.
- (g) Termination of a Participant’s Relationship with the Company
  - (i) Where a Participant’s relationship with the Company is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant’s relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant’s termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(i) hereof.
  - (iii) Upon termination of a Participant’s relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant’s eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (h) Disability - Where a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of

such Restricted Share Units; *provided, however*, that no Restricted Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(i) hereof.

- (i) Payment of Award - Unless the Company has received an RSU Deferral Notice from the Participant, as soon as practicable after each RSU Deferral Period of an Award of Restricted Share Units, the Company shall, at the sole discretion of the Board, either:
  - (i) issue to the Participant, or if Section 5.2(f) applies, to the Participant's estate, from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the next Trading Day after the RSU Deferral Period; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the RSU Deferral Period of the Restricted Share Units credited to a Participant's Account that have vested and become payable, net of applicable withholdings.

As of the end of the RSU Deferral Period the Restricted Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

### 5.3 Performance Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Eligible Persons that do not perform Investor Relations Activities. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (b) Performance Criteria - The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the Performance Criteria unfair unless a revision is made. Notices will be

provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.

- (c) Vesting - All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied in the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (d) Deferment - Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of Performance Share Units, the Participant must provide written notice (“**PSU Deferral Notice**”) to the Company within three business days of the Determination Date (the “**PSU Deferral Period**”).
- (e) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5.3(i) hereof.
- (f) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant’s death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant’s Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(i) hereof.
- (g) Termination of a Participant’s Relationship with the Company
  - (i) Where a Participant’s relationship with the Company is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant’s relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which have not vested will, unless the Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant’s Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(i) hereof.
  - (iii) Upon termination of a Participant’s relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant’s

eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.

- (h) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(i) hereof.
- (i) Payment of Award – Unless the Company has received a PSU Deferral Notice from the Participant, payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date and PSU Deferral Period for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. The Company shall, at the sole discretion of the Board, either:
  - (i) issue to the Participant or if Section 5.3(f) applies, to the Participant's estate, the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the PSU Deferral Period of the Performance Share Units credited to a Participant's Account that have vested, net of applicable withholdings.

As of the end of the PSU Deferral Period, the Performance Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

#### 5.4 Deferred Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors that do not perform Investor Relations Activities in lieu of Fees or to other Eligible Persons that do not perform Investor Relations Activities as compensation for employment or consulting services. Deferred Share Units granted to a Participant in accordance with Section 5.4 hereof shall be credited, as of the Grant Date, to the Participant's Account. The number of Deferred Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The number of Deferred Share Units shall be specified in the applicable Award Agreement.
- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Directors regarding the amount of their Fees that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Director during a calendar year and wishes

to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.

- (c) Calculation of Deferred Share Units Granted in Lieu of Fees - The number of Deferred Share Units to be credited to a Participant's Account where the Participant is a Director who has elected to receive Deferred Share Units in lieu of Fees shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant that is a Director shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (d) Vesting - No Deferred Share Units may vest before the date that is one year following the date of the Award.
- (e) Payment of Award - Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason, other than for Termination for Cause, as defined herein, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:
  - (i) that number of Shares equal to the number of vested Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company (provided that such issuance will not result in the number specified in Section 4.1(b) being exceeded); or
  - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the vested Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (f) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (g) Death - Upon death of a Participant holding Deferred Share Units that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.4(e) hereof to the Participant upon such Participant ceasing to be an Eligible Person.
- (h) Termination for Cause - Upon a Participant ceasing to be an Eligible Person by reason of Termination for Cause, the Participant's participation in this Plan shall be terminated immediately, all Deferred Share Units credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or cash equivalent

or a combination thereof that relate to such Participant's unvested Deferred Share Units shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled Deferred Share Units that have not vested. "**Termination for Cause**" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination. For the purposes of this Plan, the determination by the Company that the Participant was Terminated for Cause shall be binding on the Participant.

## 5.5 General Terms Applicable to Awards

- (a) Forfeiture Events - The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of a relationship for cause, violation of material Company policies, fraud, breach of non-competition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (b) Awards May be Granted Separately or Together - Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards - No Award and no right under any such Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the Exchange. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.
- (d) Conditions and Restrictions Upon Securities Subject to Awards - The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation:
  - (i) restrictions under an insider trading policy or pursuant to applicable law;
  - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; and
  - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

- (e) Blackout Periods – In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed Material Information, the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law). Notwithstanding anything to the contrary herein contained, in no event, including as a result of the any Blackout Period, shall the expiration of any Option issued to a U.S. Participant be extended beyond the original Expiry Date if the Option has an exercise price that is less than the Market Price on the date of the proposed extension.
- (f) Share Certificates - All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (g) Conformity to Plan - In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted to become, in all respects, in conformity with this Plan.
- (h) Deductions - Whenever cash is to be paid in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by, all in accordance with the Policies of the Exchange, delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (i) Evergreen Plan - Shares that were the subject of any Award made under this Plan that has been settled in cash, or that has been cancelled, terminated, surrendered, forfeited or has expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under this Plan.

## **5.6 General Terms Applicable to Performance-Based Awards**

- (a) Performance Evaluation; Adjustment of Goals - At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, shall specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be:
  - (i) judgments entered or settlements reached in litigation;

- (ii) the write-down of assets;
  - (iii) the impact of any reorganization or restructuring;
  - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
  - (v) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year;
  - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures; and
  - (vii) foreign exchange gains and losses.
- (b) Adjustment of Performance-Based Awards - The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

## **SECTION 6 AMENDMENT AND TERMINATION**

### **6.1 Amendments and Termination of this Plan**

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to:

- (a) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) to extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and
- (c) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, 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 (except that the Exchange may require approval of the shareholders of the Company for amendments pursuant to Sections 6.1(c)(iii) to (vii)):
  - (i) amendments of a "housekeeping nature";
  - (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
  - (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;

- (iv) amendments respecting administration and eligibility for participation under this Plan;
- (v) amendments to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Awards;
- (vi) with the exception of Options granted to Persons performing Investor Relations Activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
- (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

Notwithstanding the foregoing, any amendment of this Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) or any successor to such provision, and any amendment having bearing on the terms of any ISO shall meet the requirements of Section 7.4422 of the U.S. Tax Code.

## **6.2 Amendments to Awards**

The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either:

- (a) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of Policy of the Exchange or any accounting standard; or
- (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

## **SECTION 7 GENERAL PROVISIONS**

### **7.1 No Rights to Awards**

No Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award. There is no obligation for uniformity of treatment of Eligible Persons or Participants or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each Participant. The Company and each Eligible Person qualifying for an Award are and shall be responsible for ensuring and confirming that each recipient of an Award is a bona fide Eligible Person that qualifies to receive the applicable Award.

### **7.2 Withholding**

The Company shall be authorized to withhold any payment due under any Award or under this Plan until the Participant has paid or made arrangements for the payment of the amount of any withholding taxes due in respect of an Award, its exercise, or any payment under such Award or under this Plan.

### **7.3 No Limit on Other Security-Based Compensation Arrangements**

Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

### **7.4 No Right to Employment**

The grant of an Award shall neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company, or to any other relationship with the Company. Further, the Company may at any time dismiss a Participant, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable Award Agreement.

### **7.5 No Right as Shareholder**

Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Options, RSUs, PSUs and/or DSUs until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

### **7.6 Governing Law**

This Plan and all of the rights and obligations arising hereunder shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

### **7.7 Severability**

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

### **7.8 No Trust or Fund Created**

Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.

### **7.9 No Fractional Shares**

No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.

### **7.10 Headings**

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

#### **7.11 No Representation or Warranty**

The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

#### **7.12 No Representations or Covenant with Respect to Tax Qualification**

Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.

#### **7.13 Conflict with Award Agreement**

In the event of any inconsistency or conflict between the Policies of the Exchange, this Plan and an Award Agreement, the Policies of the Exchange shall govern for all purposes. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.

#### **7.14 Compliance with Laws**

The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, as well as the Policies of the Exchange as in effect from time-to-time, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

In addition to any resale restrictions under securities laws, and any other circumstance for which the Exchange hold period may apply, where Awards are granted to insiders or promoters of the Company or where the exercise price includes a discount as permitted by the Exchange, the Award and any Shares issued on the exercise of such Award must be legended with a four (4) month Exchange hold period commencing on the date of grant.

No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under applicable U.S. securities laws and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act).

Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S.

Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

**THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**

No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of this Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void. The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

#### **7.15 U.S. Tax Compliance**

(a) DSU Awards granted to U.S. Participants are intended to comply with, and Option, PSU, and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("**Section 409A**"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.

(b) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a Separation from Service as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.

(c) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant's Separation from Service, and at the time of the Separation from Service the Participant is subject to the U.S. Tax Code and is considered a "specified employee" (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month

period, to the extent necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service.

(d) Notwithstanding any provision of the Plan to the contrary, all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the U.S. Tax Code. If any provision of the Plan contravenes Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Section 409A, or to avoid incurring taxes, interest and penalties under Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Company or contravening Section 409A. However, the Company shall have no obligation to modify the Plan or any PSU, RSU or DSU and does not guarantee that they will not be subject to taxes, interest and penalties under Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Company (including any taxes and penalties under Section 409A), and neither the Company nor any Subsidiary of the Company shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

## **SECTION 8 EFFECTIVE DATE OF THIS PLAN**

### **8.1 Effective Date**

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board.

## **SECTION 9 TERM OF THIS PLAN**

### **9.1 Term**

This Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in Section 6 hereof.