

**STRATABOUND MINERALS CORP.**

**NOTICE OF ANNUAL GENERAL MEETING  
OF THE SHAREHOLDERS OF  
STRATABOUND MINERALS CORP.**

- and -

**MANAGEMENT INFORMATION CIRCULAR and PROXY STATEMENT**

Meeting to be held on June 18, 2018

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Circular dated May 17, 2018

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# STRATABOUND MINERALS CORP.

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Shares**") of Stratabound Minerals Corp. ("**Stratabound**" or the "**Corporation**") will be held in the Somervell Room at Delta Hotels Vancouver Downtown Suites, 550 West Hastings Street, Vancouver, BC V6B 1L6 on Monday, June 18, 2018 at 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of Stratabound for the financial year ended December 31, 2017, together with the auditors' report thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint BDO Canada LLP, Chartered Accountants, as auditors and to authorize the board of directors to fix the auditors' remuneration;
4. to ratify the Corporation's Stock Option Plan; and
5. to transact such other business as may properly be brought before the Meeting, or any adjournment(s) thereof.

**If you are a *registered shareholder* of the Corporation and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and deliver or mail it in the enclosed envelope to Computershare Investor Services, Inc. 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Attention: Proxy Department. Please consult the proxy form for instructions with regard to voting using the Telephone or Internet. In order to be valid and acted upon at the Meeting or any adjournment thereof, proxies must be received at the aforesaid address not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any adjournment thereof.**

**If you are an *unregistered shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy provided in accordance with the instructions provided therein.**

**Only registered shareholders as at May 14, 2018 and their duly appointed proxyholders will be entitled to vote at the Meeting.**

DATED at Calgary, Alberta, this 17th day of May, 2018.

ON BEHALF OF THE BOARD OF DIRECTORS

R. Kim Tyler, President and Chief Executive Officer

*These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. Please note that Telephone Voting and Internet Voting are acceptable, the procedures for which are outlined on the enclosed Proxy.*

## GLOSSARY OF TERMS

Following is a glossary of terms and abbreviations used frequently throughout this Information Circular.

"**ABCA**" means the *Business Corporations Act* (Alberta), including regulations promulgated thereunder.

"**Board**" means the board of Directors of the Corporation.

"**CEO**" or "**Chief Executive Officer**" means each individual who served as chief executive officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

"**CFO**" or "**Chief Financial Officer**" means each individual who served as chief financial officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

"**Corporation**" or "**Stratabound**" means Stratabound Minerals Corp., a corporation existing under the ABCA.

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

"**Information Circular**" means this management information circular and proxy statement dated May 17, 2018, including the schedules appended hereto.

"**Meeting**" means the annual general meeting of the Shareholders to be held in the Somervell Room at Delta Hotels Vancouver Downtown Suites, 550 West Hastings Street, Vancouver, BC V6B 1L6 on Monday, June 18, 2018 at 11:00 a.m. (Vancouver time) as set forth in the Notice of Meeting.

"**Named Executive Officer**" or "**NEO**" means the following individuals: (a) the CEO, (b) the CFO, (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, and (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year-end.

"**Notice of Meeting**" means the notice of the Meeting accompanying this Information Circular.

"**Options**" means stock options to purchase Shares of the Corporation granted under the Option Plan.

"**Option Plan**" means the stock option plan of the Corporation.

"**Option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, Options, share appreciation rights, and similar instruments that have option-like features.

"**Registrar and Transfer Agent**" means Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation as at the date hereof.

"**Record Date**" means May 14, 2018.

"**SEDAR**" means the system for electronic document analysis and retrieval at [www.sedar.com](http://www.sedar.com).

"**Shareholder**" means a holder of Shares.

"**Share**" or "**Shares**" means common shares in the capital of the Corporation.

"**Share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

"**TSXV**" means the TSX Venture Exchange.

## INTRODUCTION

***Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.***

This Information Circular is furnished to Shareholders in connection with the solicitation of proxies by the management of Stratabound for use at the Meeting and any adjournment(s) thereof.

The Meeting has been called for the purpose of considering and voting upon the election of Directors, the appointment of auditors and the annual approval of the Option Plan.

This Information Circular and the accompanying Notice of Meeting and form of proxy as well as other related Meeting materials are being mailed or delivered to Shareholders on or about June 1, 2017 to Shareholders of record as at May 14, 2018. **Unless otherwise indicated, information in this Information Circular is given as of May 17, 2018.** Unless otherwise specified, all dollar amounts in this Information Circular are expressed in Canadian dollars.

## GENERAL PROXY MATERIALS

**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF STRATABOUND MINERALS CORP. FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2017 TO BE HELD ON JUNE 18, 2018.**

### **Solicitation of Proxies**

This Information Circular is furnished in connection with the solicitation of proxies by the Board for use at the Meeting and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting.

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

Instruments of proxy must be addressed to the Secretary of the Corporation and reach Computershare Trust Company of Canada not later than 48 hours before the time for the holding of the Meeting or any adjournment(s) thereof. Only Shareholders of the Corporation at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a Shareholder of record transfers its Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he owns such Shares, demands at least 10 days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case, such transferee is entitled to vote such Shares at the Meeting. The Chairman of the Meeting has the authority to accept or refuse late or incomplete proxies in his sole and unfettered discretion.

An instrument of proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a Corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed form of proxy are officers of the Corporation. A Shareholder is entitled to appoint a person to attend the Meeting as the Shareholder's representative (who need not be a Shareholder of the Corporation) other than the persons designated in the form of proxy furnished by the Corporation. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space required.**

A proxy is revocable. The giving of a proxy will not affect a Shareholder's right to attend and vote in person at the Meeting. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment(s) thereof.

## **Persons Making the Solicitation**

**The solicitation is made on behalf of management of the Corporation.** The costs incurred in the preparation and mailing of the form of proxy, the Notice of Meeting and this Information Circular will be paid by the Corporation. In addition to the mailing of these materials, proxies may be solicited by personal interviews or telephone by Directors and officers of the Corporation, who will not be remunerated therefor.

## **Exercise of Discretion by Proxy**

The Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and where the Shareholder specifies the choice with respect to any matter to be acted upon, the Shares shall be voted on any ballot in accordance with the specification so made.

**In the absence of such specification, Shares will be voted in favour of the proposed resolution. The person appointed under the form of proxy furnished by the Corporation is conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting. At the time of mailing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.**

## **Voting of Shares – Advice to Beneficial Holders of Securities**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their Shares through intermediaries such as brokers and their agents or nominees and not in their own name.** Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered under the name of the Shareholder on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. Shares held by brokers or their agents or nominees can only be voted for, or withheld from voting, or voted against any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers their agents or nominees are prohibited from voting Shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from non-objecting Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. A Beneficial Shareholder may however request the intermediary to appoint the Beneficial Shareholder as a nominee of it as a proxy holder. A Beneficial Shareholder should contact the intermediary, broker or agents and nominees thereof, should it have any questions respecting the voting of the Shares.**

The management of the Corporation does not intend to pay for intermediaries and brokers to forward the proxy-related materials to Objecting Beneficial Owners. An "Objecting Beneficial Owner" is a Beneficial Owner who objects to their intermediary disclosing their name, contact information and securities holdings. An Objecting Beneficial Owner will not receive the proxy-related materials unless the Objecting Beneficial Owner's intermediary assumes the cost of delivery.

## INFORMATION CONCERNING THE CORPORATION

The Corporation was incorporated under the ABCA on March 5, 1986. The head office mailing address of the Corporation is 100 King Street West, Suite 5700, Toronto, Ontario, Canada, M5X 1C7 and its registered office is located at 3700, 400 Third Avenue, S.W., Calgary, Alberta T2P 4H2. The Corporation's main telephone number and website are (416) 915-4157 and [www.stratabound.com](http://www.stratabound.com) respectively. The reference [www.stratabound.com](http://www.stratabound.com) is a textual reference only and the information contained on the website is not a part of this Information Circular and is not incorporated by reference in this Information Circular.

### INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, whether direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any Director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as Director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of Directors.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Shares. As of May 14, 2018, 191,078,000 Shares were issued and outstanding, each such Share carrying the right to one vote on a ballot at the Meeting.

The Shareholders of record at the close of business on the Record Date are entitled to vote their Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- a) such person transfers his Shares after the Record Date; and
- b) the transferee of those Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Shares and makes a demand to the Registrar and Transfer Agent, not later than 10 days before the Meeting, that his or her name be included on the Shareholders' list.

Set out below are the names of all persons or companies who, to the knowledge of the Directors or executive officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation.

Name	Type Of Ownership	Number Of Shares Beneficially Owned Directly Or Indirectly, Controlled Or Directed	Percentage Of Outstanding Voting Securities
William A. Bell <sup>(1)</sup> Calgary, Alberta, Canada	Direct	3,451,999	1.8%
	Indirect	<u>24,298,691</u>	<u>12.7%</u>
	Total	27,750,690	14.5%
Robert Morrison <sup>(2)</sup> Edmonton, Alberta, Canada	Direct	19,794,394	10.4%

**Notes:**

- (1) Mr. Bell has the right to acquire up to an additional 4,231,818 Shares by virtue of holding (a) 800,000 purchase warrants with an exercise price of \$0.30 per warrant, expiring on or before October 9, 2018; (b) 1,000,000 purchase warrants with an exercise price of \$0.075 per warrant, expiring on or before October 14, 2018; (c) 750,000 purchase warrants with an exercise price of \$0.075 per warrant, expiring on or before October 20, 2019; (d) 1,500,000 purchase warrants with an exercise price of \$0.075 per warrant, expiring on or before November 27, 2019; and (e) 181,818 purchase warrants with an exercise price of \$0.08 per warrant, expiring on or before March 26, 2020.
- (2) Mr. Morrison has the right to acquire up to an additional 433,333 Shares by virtue of holding 433,333 purchase warrants with an exercise price of \$0.075 per warrant, expiring on or before July 7, 2019.

## Equity Compensation Plan Information

The following information is provided in respect to the Corporation as at December 31, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	9,691,666	\$0.062	6,857,531
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
Total	9,691,666	\$0.062	6,857,531

## EXECUTIVE COMPENSATION DISCLOSURE

### Compensation Discussion and Analysis

#### 1. Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding compensation for the Named Executive Officers. It explains how decisions regarding executive compensation are made by the independent Directors of the Board and the reasoning behind these decisions.

For the period ending December 31, 2017, the Corporation had the following Named Executive Officers:

R. Kim Tyler <sup>(1)</sup>	President & Chief Executive Officer
Terrence Byberg <sup>(2)</sup>	Executive Vice President / President & Chief Executive Officer
Michael Page <sup>(3)</sup>	Interim Chief Executive Officer / VP Exploration
Richard Meschke <sup>(4)</sup>	Chief Financial Officer

**Notes:**

- (1) R. Kim Tyler was appointed President & Chief Executive Officer on October 23, 2017.
- (2) Terrence Byberg was appointed President & Chief Executive Officer on May 17, 2016 and became Executive Vice President on October 23, 2017.
- (3) Michael Page was Interim Chief Executive Officer from August 12, 2015 until May 17, 2016 and VP Exploration thereafter.
- (4) Richard Meschke was appointed Chief Financial Officer on May 17, 2016.

#### 2. Compensation Governance

Given the small size of the Company and the Board, no formal compensation committee has been appointed. The non-management directors on the Board review and approve the annual compensation of the Chief Executive Officer and based on the recommendation of the Chief Executive Officer, review and approve the annual compensation of senior management.

### 3. Objectives of Any Compensation Program or Strategy

#### *Compensation Philosophy and Objectives of Compensation Programs*

The Board determines the compensation to be paid or awarded to the Named Executive Officers of the Corporation. The Board seeks to encourage advancement of exploration projects and growth in reserves, in order to enhance shareholder value. To achieve these objectives, the Corporation believes it is critical to create and maintain compensation programs that attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives and that align the interest of the officers of the Corporation with those of the shareholders to provide incentive to the officers to enhance shareholder value. However, as a junior exploration company the Corporation is constrained by the amount of capital it has available to it. This element was the primary focus of all compensation decisions in 2016.

In 2017, compensation for the Named Executive Officers consisted of the three elements: base salary, bonus, and long-term equity incentives. The following provides an overview of the elements of compensation.

Compensation Element	Type of Compensation	Name of Plan	Performance Period	Form of Payment
Base Salary	Annual - Fixed Pay	Salary Program	1 year	Cash
Bonus	Annual – Variable Pay	Employee Bonus Plan	1 year	Cash or shares
Long-Term Equity Incentives	Long Term - Variable Pay	Stock Option Plan	up to 5 years	Stock options

### 4. How the Corporation Determines the Amount for Each Element

As indicated above, executive compensation is the responsibility of the Board.

During the fiscal year ended December 31, 2017, the Board had no formal meetings dedicated to compensation.

The Board uses all the data available to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined point. In the Board's view, external and third-party survey data provides an insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size of comparable companies and the lack of sufficient appropriate matches to provide statistical relevance.

In the process used by the Board to establish and adjust executive compensation levels, third-party survey data may be considered, along with an assessment of individual performance, experience and potential to contribute to operations and growth of the Corporation. However, the Corporation largely relies on Board discussion and familiarity with the Named Executive Officers without any formal objectives or criteria. The Board can exercise both positive and negative discretion in relation to the compensation awards and its allocation between cash and non-cash awards.

The Chief Executive Officer of the Corporation makes recommendations to the Board regarding total compensation to the Named Executive Officers of the Corporation (excluding the Chief Executive Officer), including base salaries, bonuses, long-term equity incentive grants. These recommendations are considered by the Board against information derived from publicly available information and adjusted, as applicable, for inflation and anticipated increases in the current year.

**Salary.** Base salary represents the fixed element of the Named Executive Officer's cash compensation. The base salary reflects the Boards' consideration of each individual's level of responsibility, expertise,

skills, knowledge and performance. Base salaries for the Named Executive Officers of the Corporation are reviewed annually by the Board.

In 2017, the Board did not increase the base salary amounts for the CEO and CFO.

**Annual Cash Bonus Awards.** The Board has the authority, based upon management recommendations, to award discretionary annual bonuses to the executive officers. The annual discretionary bonuses are intended to compensate officers for achieving superior financial and operational results for the Corporation. The discretionary annual bonus may be paid in cash or shares in an amount reviewed with management and recommended by the Board and approved by the Board. The actual amount of bonus is determined following a review by the Board of each executive's individual role during the previous year.

Bonuses awarded by the Board are intended to be competitive with the market while rewarding senior executives for creating qualitative improvements in the Corporation's performance, including delivering near-term financial and operating results, developing long-term growth prospects, improving the efficiency and effectiveness of business operations and building a culture of teamwork focused on creating long-term shareholder value. Consistent with a flexible nature of the annual bonus program, the Board does not assign any specific weight to any particular element of performance nor is any specific weight assigned to a specific performance goal in the aggregate. The Board considers not only the Corporation's performance during the year, but also with respect to market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances. In sum, the Board analyzes the total mix of available information on a qualitative, rather than quantitative, basis in making bonus determinations. No bonuses were awarded to the CEO and CFO at the end of 2017.

**Long-Term Incentive Programs.** The allocation of stock options and the terms designed in those options are an integral component of the compensation package of the senior officers of the Corporation. The Corporation has a stock option plan in place for the purpose of providing stock options to the officers. The Board believes that the grant of options to the executive officers and share ownership by such officers serves to motivate achievement of the Corporation's long-term strategic objectives and the result will benefit all shareholders of the Corporation. Stock options are awarded to employees of the Corporation by the Board based upon the recommendation of the Chief Executive Officer, who bases his decision upon the level of responsibility and contribution of the individuals toward the Corporation's ultimate goals and objectives. Also, the Board considers the overall number of stock options that are outstanding relative to the number of outstanding common shares of the Corporation in determining whether to make any new grants of stock options and the size of such grants. The granting of these specific options is reviewed by management for final recommendation to the Board for approval.

### ***Hedging Activities***

The Corporation has no formal hedging policy in place with respect to purchases of securities by Named Executive Officers or directors designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, and to the Corporation's knowledge, no NEO or director has hedged the economic value of his direct or indirect interests in the market value of the Corporation's Shares so held or granted as compensation.

### ***Risk Assessment and Oversight***

The Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Board will continually review the Corporation's compensation policies to identify any practice that might encourage an employee to expose the Corporation to unacceptable risks. At the present time, the Board is satisfied that the current executive compensation program does not encourage the Corporation's executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation rewarding individuals for the success of the Corporation once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the number of options a particular NEO is entitled to receive is limited by the Option Plan.

## Summary Compensation Table

The following table discloses, for the periods indicated, total compensation received by the Named Executive Officers.

	Year	Salary (\$)	Share- Based Awards (\$)	Option- Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation(\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long- Term Incentive Plans (\$)			
R. Kim Tyler, President, CEO	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Terrence Byberg, President, CEO	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil
Michael Page Interim CEO, VP Exploration	2017 2016 2015	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Richard Meschke, CFO	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

**Note:**

- (1) Represents Options to purchase Shares of the Corporation, with each Option, upon exercise, entitling the holder to acquire one Share. The grant date fair value has been calculated in accordance with Canadian generally accepted accounting principles.

## Incentive Plan Awards

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all awards outstanding by the Corporation or its subsidiaries, directly or indirectly, to each of the Named Executive Officers at the end of the Corporation's most recently completed financial year ended December 31, 2017.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested	Market or Payout Value of Vested Share-Based Awards not paid out or distributed
R. Kim Tyler, CEO	3,000,000	\$0.05	13 October 2022	Nil	Nil	Nil	Nil
Terrence Byberg, President, EVP / CEO	666,666	0.0483	30 April 2020	Nil	Nil	Nil	Nil
Michael Page Interim CEO, VP Exploration	50,000	0.30	8 April 2018	Nil	Nil	Nil	Nil
Richard Meschke, CFO	666,666	0.0483	30 April 2020	Nil	Nil	Nil	Nil

**Note:**

- (1) Unexercised "in-the-money" Options refer to those Options in respect of which the market value of the underlying security as at the financial year ended December 31, 2017 exceeds the exercise or base price of the Option, being the difference between the market value of the securities as at December 31, 2017 and the exercise price of the options. The closing price of the Corporation's Shares on December 29, 2017, the last day of was \$0.04.

## Description of the Option Plan

Pursuant to the Option Plan, the Corporation may grant incentive stock options to directors, officers, employees and consultants of the Corporation or any subsidiary thereof. The total number of shares issuable pursuant to the Option Plan is up to a maximum of 10% of the issued and outstanding common shares of the Corporation at any given time. The exercise price of each Option is to be determined by the Board at the time of the granting of the Option, as is the term and vesting policies, provided that the exercise price shall not be lower than the market price or such discount from the market price as may be permitted by the stock exchange on which the Shares are listed. No Option shall have a term exceeding ten years. No single participant may be issued Options representing greater than 5% of the number of outstanding Shares in any 12 month period and the number of Shares reserved for issuance to any one consultant of the Corporation may not exceed 2% of the number of outstanding Shares in any 12 month period. The Options expire 90 days from the date on which a participant ceases to be a Director, officer, employee or consultant of the Corporation.

As of December 31, 2017, there were 9,691,657 options outstanding under the Option Plan, representing approximately 5.9% of the issued and outstanding Shares. Accordingly, at December 31, 2017, there were 6,857,540 unallocated Options available for issuance under the Option Plan.

## Value of Vested or Earned Option-Based Awards or Share-Based Awards During the Year

The following table sets forth information with respect to the value of awards granted to Named Executive Officers pursuant to the Option Plan that vested during the year ended December 31, 2017 and bonuses paid to Named Executive Officers in respect of achievements attained over the same period.

Name	Option-Based Awards - Value Vested During the Year <sup>(1)</sup> (\$)	Share-based Awards - Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation - Value Earned During the Year (\$)
R. Kim Tyler, CEO	Nil	Nil	Nil
Terrence Byberg, CEO	Nil	Nil	Nil
Michael Page Interim CEO, VP Exploration	Nil	Nil	Nil
Richard Meschke, CFO	Nil	Nil	Nil

### Note:

(1) All Options granted by the Corporation vest immediately. There were 3,000,000 options issued to R. Kim Tyler, CEO, in 2017.

## Termination and Change of Control Benefits

The Company has not entered into any employment agreements with any of its employees or consultants that provide for compensation on a change of control.

## Director Compensation

Directors are compensated for their services through the grant of Options. Directors do not receive any fees for their attendance at meetings or any other form of compensation other than grants of Options. The following table sets forth all amounts of compensation provided to Directors who are not Named Executive Officers for the Corporation's most recently completed financial year ended December 31, 2017.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Margaret Kent <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
R. M. Robb <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Calder <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Represents Options to purchase Shares of the Corporation, with each Option, upon exercise, entitling the holder to acquire one Share. The grant date fair value has been calculated in accordance with Canadian generally accepted accounting principles. No options were issued to Directors in 2017.
- (2) Appointed as director May 17, 2016 and elected as director June 27, 2016.
- (3) Elected as director June 27, 2016 and resigned as director October 21, 2017.

**Director Compensation - Outstanding Share-Based and Option-Based Awards**

The following table sets forth information in respect of all awards outstanding by the Corporation or its subsidiaries, directly or indirectly, to each of the Directors who are not Named Executive Officers at the end of the Corporation's most recently completed financial year ended December 31, 2017.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested	Market or Payout Value of Share-Based Award not paid out or distributed
Margaret Kent	666,666	0.0483	30 April 2020	Nil	Nil	Nil	Nil
R. M. Robb	666,666	0.0483	30 April 2020	Nil	Nil	Nil	Nil
Peter Calder	666,666	0.0483	21 October 2018	Nil	Nil	Nil	Nil

**Note:**

- (1) Unexercised "in-the-money" Options refer to those Options in respect of which the market value of the underlying security as at the financial year ended December 31, 2017 exceeds the exercise or base price of the Option, being the difference between the market value of the securities as at December 31, 2017 and the exercise price of the options. The closing price of the Corporation's Shares on December 29, 2017, the last day of trading, was \$0.04.

***Value of Vested or Earned Option-Based Awards or Share-Based Awards during the Year***

The following table sets forth information with respect to the value of awards granted to non-employee directors pursuant to the Option Plan that vested during the year ended December 31, 2017.

Name	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Margaret Kent	Nil	Nil	Nil
R. M. Robb	Nil	Nil	Nil
Peter Calder	Nil	Nil	Nil

**Note:**

(1) All Options granted by the Corporation vest immediately. No options were issued to Directors in 2017.

### AUDIT COMMITTEE

The Corporation is required to have an audit committee under the ABCA and pursuant to the provisions of National Instrument 52-110 - *Audit Committees* ("NI 52-110").

#### Audit Committee Charter

Pursuant to NI 52-110, the Corporation is required to have a written charter which sets out the duties and responsibilities of its audit committee. The charter is attached herein as "Schedule A".

#### Composition of the Audit Committee

The Audit Committee was comprised of the following members as of December 31, 2017:

Name and Office if Any	Independent	Financially Literate
Margaret Kent	Yes	Yes
R. M. Robb	Yes	Yes
Michael Page	No	Yes

#### Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each person currently appointed to the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Margaret Kent is a metallurgical engineer who has served as director and/or audit committee member of several other public companies, and as Chairman of the board of directors of Stratabound since May 2016.

R. M. Robb is a mining engineer who has served as officer, director and/or audit committee member of several other public companies, and as director of Stratabound since May 2016.

Michael Page is a geologist who has served as officer or director of several other public companies, and as director of Stratabound since 2010.

#### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "External Audit" of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Corporation and the fees for those services.

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two financial years for audit and non-audit related services are as follows:

Financial Year <sup>(1)</sup>	Audit Fees <sup>(2)</sup>	Audit-Related Fees <sup>(3)</sup>	Tax Fees <sup>(4)</sup>	All Other Fees <sup>(5)</sup>
2017	\$25,000	0	0	0
2016	\$22,500	0	\$2,500	0

### Notes:

- (1) Shown in the year that the fees were invoiced.
- (2) Audit fees were for professional services rendered by BDO Canada LLP for the audit of the Corporation's annual financial statements.
- (3) Audit-related fees were for assurance and related services rendered which reasonably related to the performance of the audit of the annual consolidated financial statements and are not reported under "Audit Fees" above. These services consisted of accounting consultations for quarterly reporting requirements.
- (4) Tax fees include tax compliance, tax advice and tax planning professional services.
- (5) Amounts shown under "all other fees" were for services including IFRS and other consulting services and Public Accountability Assessment Fees.

## CORPORATE GOVERNANCE

The Canadian securities administrators have adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the "Disclosure Instrument") and National Policy 58-201 *Corporate Governance Guidelines* (the "Guidelines"), both of which came into force as of June 30, 2005. The Disclosure Instrument requires issuers such as the Corporation to disclose the corporate governance practices that they have adopted, while the Guidelines provide guidance on corporate governance practices. In this regard, a brief description of the Corporation's system of corporate governance, with reference to the items set out in the Disclosure Instrument and the Guidelines, is set forth in Schedule B.

The Board and management of the Corporation recognize that effective corporate governance is important to the direction and operation of the Corporation in a manner which ultimately enhances shareholder value. As a result, the Corporation has developed and implemented, and continues to develop, implement and refine formal policies and procedures which reflect its ongoing commitment to good corporate governance and which establish a culture of integrity, honesty and respect. The Corporation believes that the corporate governance practices and procedures described below and in Schedule B are appropriate for a company such as Stratabound.

### Composition of the Board

Consistent with the Corporation's streamlined approach to the management of the Corporation, the Board of Directors of the Corporation consisted of three individuals through May 16, 2016; four from May 17, 2016 to June 26, 2016; and five thereafter, including for both periods the President / Chief Executive Officer of the Corporation. Three out of the five directors were considered independent within the meaning of applicable securities legislation.

The Board has responsibility for hiring senior management and supervising and overseeing the management of the business of the Corporation. In addition to the obligations of the Board mandated by law, the Board has responsibility for strategic planning, the selection and monitoring of management and the identification of the principal risks associated with the Corporation's business. These duties and responsibilities, among others, are set forth in a written mandate of the Board that has been adopted. The Board approves all significant decisions that materially affect the Corporation before they are implemented and annually approves the key business and financial objectives of the Corporation.

Certain of the powers, duties and responsibilities of the Board have been delegated to committees of the Board, as described below.

### **Committees**

During the year ended December 31, 2017 the Board of Directors had two committees, the Audit Committee and the Governance Committee.

#### **Audit Committee**

As of December 31, 2017 the Audit Committee was comprised of Ms. Kent and Messrs. Robb and Page. Ms. Kent and Mr. Robb were considered independent within the meaning of applicable securities legislation. The Audit Committee reviews the annual and quarterly financial statements of the Corporation and may meet with the external auditors as required. The members of the Audit Committee have direct access to the Corporation's external auditors and may meet with the external auditors independently of management.

#### **Governance Committee**

The Company has formed a Corporate Governance Committee comprised of Mr. Robb (Chairman), Mr. Page and Mr. Byberg (the "Corporate Governance Committee") whose mandate is to evaluate the Corporation's governance practices to insure alignment with corporate objectives. Of the current members of the Corporate Governance Committee, Mr. Robb is considered to be independent. Mr. Page and Mr. Byberg are not independent as they are also officers of the Company.

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

Management of the Corporation is not aware of any indebtedness outstanding to the Corporation or its subsidiaries by Directors, Named Executive Officers, employees or former executive officers as at the end of the most recently completed financial year ended December 31, 2017 and thereafter.

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

Other than as disclosed below and elsewhere in the Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed Director or any associate or affiliate of any informed person or proposed Director, in any transaction since the commencement of the Corporation's most recently completed financial year ended December 31, 2017 or in any proposed transaction which has materially affected or would materially affect the Corporation.

### **MANAGEMENT CONTRACTS**

Management functions of the Corporation are substantially performed by Named Executive Officers of the Corporation and have not been performed, to any substantial degree, by any other person with whom the Corporation has contracted.

The Corporation has entered into one consulting agreement, with its President and CEO, which provides for monthly payments of \$5,000, rising to \$8,000 upon the completion of \$1,500,000 in financing. The agreement is for a one-year term and renews automatically, but may be terminated by either party on 30 days' notice. There is no severance pay or change of control provision in the agreement.

## **BUSINESS OF THE ANNUAL MEETING**

### **Receipt of the Financial Statements and Auditor's Report**

Audited financial statements of the Corporation for the year ended December 31, 2017, together with the report of the auditors thereon, were mailed separately to registered shareholders and those shareholders that requested this information. The financial statements of the Corporation for the year ended December 31, 2017 and the auditors' report thereon will be placed before the shareholders at the Meeting.

Under securities legislation, the Corporation is required to send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request a hard copy of the Corporation's annual financial statements and related management's discussion and analysis ("MD&A") and/or the Corporation's interim financial statements and related MD&A. Shareholders who wish to receive a hard copy of the Corporation's annual financial statements and related MD&A and/or the Corporation's interim financial statements and related MD&A are encouraged to send the enclosed return card directly to Computershare Trust Company at the address noted thereon.

### **Election of Directors**

The affairs of the Corporation are managed by the Directors who are elected annually for a one year term at each annual general meeting of the Shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until a Director vacates his office or is replaced in accordance with the by-laws of the Corporation.

At the Annual General Meeting of shareholders of the Corporation on June 28, 2017, Margaret Kent, Terrence Byberg, Michael Page, Peter Calder and R.M. Robb were elected as Directors.

The Shareholders are entitled to elect the Directors. The persons named below have been nominated for election and have consented to such nomination. Voting will be on an individual basis, rather than on a slate basis.

**Unless authority to vote on the election of Directors is withheld, it is the intention of the person named in the accompanying instrument of proxy to vote for the election of such nominees as Directors. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote for the election of any substitute nominee or nominees recommended by management of the Corporation and for the remaining proposed nominees.**

The following are the names, occupations, residences and number of Shares held by each of the proposed nominees for election as Directors:

Name, Place of Residence	Principal Occupation for the Past Five Years	Date First Elected/Appointed as a Director	Number and Percentage of Voting Shares Beneficially Owned, Directly or Indirectly, or Controlled by the Proposed Director <sup>(1)</sup>
Margaret Kent Blaine, Washington, United States	Executive Chairman, Tamerlane Ventures Inc.	2016	7,513,332 – 3.9%
Terrence Byberg Niagara Falls, ON Canada	President and CEO, Silver Stream Mining Corp. 2013 to 2016	2016	5,902,096 – 3.1%
Michael Page Holbrook, New York, United States	President, Exploration Services Intl.	2010	5,418,999 – 2.8%
R. M. Robb, P. E. Albuquerque, New Mexico, United States	President, R R Engineering LLC	2016	2,763,181 – 1.5%
R. Kim Tyler, P.Geo., Sudbury, ON Canada	Contract Mining Project Manager and Consulting Geologist	2017	364,536 – 0.2%

**Note:**

(1) The information as to Shares beneficially owned, not being within the knowledge of the Corporation, has been provided by the respective Directors.

The following table summarizes the meetings of the Board and its committees held during the year ended December 31, 2017 not including informal conference calls or matters dealt with by resolution, and the attendance of individual directors of the Corporation at such meetings.

**Meetings Held and Attendance of Directors (2017)**

Director	Board of Directors (Meetings Attended of Meetings Held) <sup>(1)</sup>
Michael Page	5 of 5
Margaret Kent	5 of 5
Terrence Byberg	5 of 5
R. M. Robb	5 of 5
Peter Calder <sup>(2)</sup>	4 of 4
R. Kim Tyler <sup>(3)</sup>	1 of 1

**Notes:**

- (1) Includes Audit Meetings.
- (2) Meetings before October 23, 2017.
- (3) Meetings after October 23, 2017.

**Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of management, no director or proposed director of Stratabound is, as at the date hereof, or has been, within 10 years before the date hereof, a director or chief executive officer or chief financial officer of any corporation (including Stratabound) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days, except for Michael Page, with respect to the cease trade orders issued in respect of Stratabound on May 6, 2015 and revoked on November 27, 2015;
- (b) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the corporation being the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) is, as the date hereof, or has been within 10 years from the date hereof, a director or executive officer of any company that, while that person was acting in such 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, except that Margaret Kent was Executive Chairman and Chief Financial Officer of Tamerlane Ventures Inc., which was placed into receivership on January 30, 2014.

#### *Personal Bankruptcies*

To the knowledge of management of Stratabound, no director of Stratabound has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

#### *Penalties or Sanctions*

To the knowledge of management of Stratabound, no director of Stratabound has: (i) 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, other than penalties for late filing of insider reports; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

#### **Appointment of Auditor**

The Shareholders will be asked at the Meeting to vote for the appointment of BDO Canada LLP, Chartered Accountants, of Calgary, Alberta, as the auditors of the Corporation, for the ensuing year and to authorize the Directors to fix their remuneration. BDO Canada LLP have been the auditors of the Corporation since 2009.

Unless otherwise directed, Shares representing proxies in favour of management nominees will be voted in favour of the appointment of BDO Canada LLP, Chartered Accountants, Calgary, Alberta, as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly elected or appointed, and to authorize the Board to fix their remuneration.

#### **Annual Approval of the Stock Option Plan**

The Corporation has in place a stock option plan dated October 20, 2010, whereby the Directors of the Corporation may allocate a maximum of 10% of the issued and outstanding Shares for issuance under the Option Plan. The Option Plan was last approved by the Shareholders at the annual and special meeting of Shareholders held on June 28, 2017. There have not been any amendments made to the Option Plan since that time and a copy is attached as Schedule C hereto.

The highlights of the Option Plan are as follows:

- (a) Options may be granted to Directors, officers, employees, management company employees and consultants;
- (b) the exercise price of Options granted shall be determined by the Board in accordance with the policies of the TSXV;
- (c) the Directors may allocate up to a maximum of 10% of the issued and outstanding Shares for the issuance of Options; no single participant may be issued Options representing greater than five (5%) percent of the number of outstanding Shares in any 12 month period; the number of Shares reserved for issuance to any one consultant of the Corporation may not exceed two (2%) percent of the number of outstanding Shares in any 12 month period;
- (d) the aggregate number of Options granted to persons employed in investor relation activities must not exceed two (2%) percent of the outstanding Shares in any 12 month period unless the TSXV permits otherwise. Options issued to consultants providing investor relations services must vest in stages over 12 months with no more than one quarter of the Options vesting in any three month period;
- (e) the Board may determine the term of the Options, but the term shall in no event be greater than ten years from the date of issuance;
- (f) if an Option expires during one of the Corporation's self-imposed blackout periods, the Options will automatically be extended for thirty (30) days following the last day of a blackout period;
- (g) generally, the Options expire 90 days from the date on which a participant ceases to be a Director, officer, employee, management company employee or consultant of the Corporation; and
- (h) terms of vesting of the Options, the eligibility of Directors, officers, employees, management company employees and consultants to receive Options and the number of Options issued to each participant shall be determined at the discretion of the Board, subject to the policies of the TSXV.

Since the Option Plan is a "rolling plan", annual shareholder approval of the Option Plan is required by the TSXV. In accordance with the policies of the TSXV, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

"BE IT RESOLVED that:

1. as an ordinary resolution, pursuant to and in compliance with the policies of the TSX Venture Exchange and subject to regulatory approval, the Corporation's stock option plan is hereby approved, whereby a maximum of 10% of the common shares of the Corporation will be reserved for issuance under the stock option plan, provided that the number of listed securities that may be reserved for issuance under stock options granted to any one individual or insider of the Corporation shall not exceed five (5%) percent of the Corporation's issued and outstanding listed securities, and the same is hereby approved;
2. the form of the stock option plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the board of Directors acting in the best interests of the Corporation without requiring further approval of the shareholders of the Corporation; and

3. any one director or officer of the Corporation be and is hereby authorized and directed, upon the board of Directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution."

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. **Unless otherwise directed, it is intended that the Shares represented by the proxies hereby solicited will be voted in favour of the approval of the Option Plan.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on the Corporation's website at [www.stratabound.com](http://www.stratabound.com) or on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management discussion and analysis at its main telephone number at (416) 916-4157 or as follows:

**Stratabound Minerals Corp.**  
Attention: R. Kim Tyler  
100 King Street West, Suite 5700  
Toronto, Ontario, Canada, M5X 1C7

Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis for the financial year ended December 31, 2017 which were filed on SEDAR on April 30, 2018.

## SCHEDULE "A"

# Stratabound Minerals Corp.

## Audit Committee Charter

### Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- (1) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- (2) review and appraise the performance of the Company's external auditor;
- (3) provide an open avenue of communication among the Company's auditor, financial and senior management and the Board of Directors; and
- (4) report regularly to the Board of Directors the results of its activities.

### Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in Multilateral Instrument 52-110 entitled "Audit Committees"), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Audit Committee should 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 reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting or until their successors are duly elected. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### Meetings

The Committee shall meet at least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor in separate sessions.

## **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

### ***Documents/Reports Review***

- (a) review and update this Audit Committee Charter annually;
- (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and
- (c) review regular summary reports of directors and officers expense account claims at least annually. Establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chairman of the Audit Committee or of the Compensation Committee to approve expense reports of the President and the CEO and the CEO to approve those of the directors and officers.

### ***External Auditor***

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company;
- (c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board of Directors the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's

external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
- (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### ***Financial Reporting Processes***

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

- (l) on at least an annual basis, review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

**Authority**

The Audit Committee will have the authority to:

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee;
- (d) communicate directly with the auditors; and
- (e) conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.

**SCHEDULE "B"**

**CORPORATE GOVERNANCE DISCLOSURE AND  
COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES**

Corporate Governance Disclosure Required Under NI 58-101	Comments
<p><b>1. Board of Directors</b></p> <p>Disclose how the board of directors facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.</p>	<p>The Corporation has adopted governance guidelines consistent with NP 58-201, which provide, among other things, that a majority of the Board must be independent directors.</p> <p>The Board has determined that two of the five current directors are "independent" within the meaning of NI 58-101. The independent directors are Margaret Kent and R. M. Robb. R. Kim Tyler, the President and CEO of Stratabound, Terrence Byberg, the Executive Vice President of Stratabound, and Michael Page, the Vice President, Exploration of Stratabound, are not considered "independent" under NI 58-101.</p> <p>In accordance with the written mandate of the Board, the independent directors of the Board regularly hold <i>in camera</i> sessions of the Board at such times as the independent directors determine advisable. The independent directors did not feel it was necessary to meet as such during 2017.</p>
<p><b>2. Directorships</b></p> <p>If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>The following directors currently serve on the Board of Directors of the following reporting issuers:</p> <p><b>None</b></p>
<p><b>3. Orientation and Continuing Education</b></p> <p>Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.</p>	<p>All new directors are provided with a baseline of knowledge about the Corporation which serves as a basis for informed decision-making. This includes a combination of written material, one-on-one meetings with senior management and other briefings and training, as appropriate. Current directors all belong to professional associations that have continuing education requirements to maintain membership.</p>

<p align="center"><b>Corporate Governance Disclosure Required Under NI 58-101</b></p>	<p align="center"><b>Comments</b></p>
<p><b>4. Ethical Business Conduct</b></p> <p>Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board requires each director to disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. In addition, the director must excuse himself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest.</p> <p>The Board has reviewed and approved a disclosure policy for the Corporation, in order to promote consistent disclosure practices aimed at informative, timely and broadly disseminated disclosure of material information to the market, in accordance with applicable securities legislation.</p> <p>The Board has also reviewed and approved a whistleblower policy, to promote, among other things, the disclosure and reporting of any questionable accounting or auditing matters, fraudulent or misleading financial information, and violations of ethical conduct.</p> <p>The Corporation expects that its directors, officers, employees and consultants will adhere to the highest ethical standards in all of the Corporation's business activities. The Corporation's directors, officers, employees and consultants are expected to deal fairly with security holders, customers, suppliers and competitors. All directors, officers, employees and consultants are encouraged to report violations.</p>
<p><b>5. Nomination of Directors</b></p> <p>Disclose what steps, if any, are taken to identify new candidates for board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.</p>	<p>The process for identifying and recommending the nomination of new Board candidates is the responsibility of the current directors. There is no formalized process for identifying new candidates.</p>

<p align="center"><b>Corporate Governance Disclosure Required Under NI 58-101</b></p>	<p align="center"><b>Comments</b></p>
<p><b>6. Compensation</b></p> <p>Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process of determining compensation.</p>	<p>The independent Directors will review annually the compensation package and performance objectives of the executive officers. With respect to the compensation of directors, the Board will review the adequacy and form of the compensation of directors periodically to determine if the compensation realistically reflects the responsibilities and risks involved in being an effective director.</p> <p>The Board will also determine the annual bonuses to be paid, if any, and will review the grants of options to purchase shares of the Corporation.</p>
<p><b>7. Other Board Committees</b></p>	
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>Governance.</p>
<p><b>8. Assessments</b></p>	
<p>Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The Board is responsible for ensuring that there is a process in place for annually evaluating the effectiveness and contribution of the Board, the committees of the Board and the individual directors based on their applicable terms of reference or position description.</p> <p>The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement. The assessments will consider in the case of the Board or a committee, the applicable terms of reference, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the Board.</p>

## SCHEDULE "C"

### STRATABOUND MINERALS CORP.

#### Stock Option Plan (2018)

The Board of Directors of **Stratabound Minerals Corp.** (the "Corporation") wishes to establish a stock option plan (the "Plan") governing the issuance of stock options (the "Stock Options") to directors, officers, employees and consultants of the Corporation or subsidiaries (as the meaning is ascribed thereto pursuant to applicable securities legislation) of the Corporation who are providing services to the Corporation or subsidiaries of the Corporation on an on-going basis, or have provided or are expected to provide a service or services of considerable value to the Corporation or its subsidiaries.

The terms and conditions of the Plan for issuance of Stock Options are as follows:

#### 1. **Purposes**

The principal purposes of the Plan are:

- (a) to retain and attract qualified directors, officers, employees and consultants which the Corporation and its subsidiaries require;
- (b) to promote a proprietary interest in the Corporation and its subsidiaries;
- (c) to provide an incentive element in compensation; and
- (d) to promote the profitability of the Corporation and its subsidiaries.

#### 2. **Reservation of Shares**

The maximum number of common shares of the Corporation ("Common Shares") reserved from time to time for issuance pursuant to Stock Options granted pursuant to the Plan to Eligible Optionees (as defined below) shall not exceed 10% of the outstanding common shares.

#### 3. **Eligibility**

Stock Options shall be granted only to persons, firms or corporations ("Eligible Optionees"):

- (a) who are employees (full-time or part-time), officers or directors of the Corporation or its subsidiaries, or consultants who are engaged to provide services to the Corporation or its subsidiaries on an on-going basis under a written contract with the Corporation and spends or will spend a significant amount of time and attention on the affairs of the Corporation or its subsidiaries, and
- (b) who the Board of Directors of the Corporation (the "Board of Directors" or the "Board") determines should receive Stock Options,

provided that the participation of the Eligible Optionees in the Plan is voluntary.

Stock Options may also be granted to corporations which are wholly-owned by an Eligible Optionee. Unless the context otherwise requires, the term Eligible Optionee as used herein, shall include any such corporation. No Stock Options shall be granted pursuant to this Section 3 unless such Eligible Optionee is a bona fide employee, officer, director or consultant of the Corporation or a subsidiary of the Corporation, or a corporation wholly-owned by such person.

For greater certainty and without limiting the discretion conferred on the Board of Directors pursuant to Subsection 3(b) above, the Board of Directors' decision to approve the grant of a Stock Option in any year shall not require the Board of Directors to approve the grant of a Stock Option to an Eligible Optionee in any other year; nor shall the Board of Directors' decision with respect to the size or terms and conditions of a Stock Option in any year require it to approve the grant of a Stock Option of the same size or with the same terms and conditions to any Eligible Optionee in any other year. The Board of Directors shall not be precluded from approving the grant of a Stock Option to any Eligible Optionee solely because the Eligible Optionee may previously have been granted a Stock Option under the Plan or any other security based compensation arrangement in which there is an issuance from treasury or potential issuance from treasury of securities of the Corporation ("Security Based Compensation Arrangement"). No Eligible Optionee has any claim or right to be granted a Stock Option, except as expressly provided in a stock option agreement entered into by the Eligible Optionee and the Corporation pursuant to the terms of the Plan (a "Stock Option Agreement"). In addition, nothing in the Plan or in any Stock Option Agreement shall confer upon any holder of a Stock Option the right to continue in the employ of the Corporation or a subsidiary of the Corporation, to be entitled to any remuneration or benefits not set forth in the Plan or a Stock Option Agreement or to interfere with or limit in any way the right of the Corporation or a "subsidiary" of the Corporation to terminate the Stock Option holder's employment.

#### **4. Granting of Stock Options**

The Board of Directors may from time to time grant Stock Options to Eligible Optionees. At the time a Stock Option is granted, the Board of Directors shall determine the number of Common Shares of the Corporation purchasable under the Stock Option, the date when the Stock Option is to become effective and, subject to the other provisions of the Plan, all other terms and conditions of the Stock Option. All grants of Stock Options shall be subject to the following terms and conditions:

- (a) the number of Common Shares reserved for issuance, or issuable from treasury in any 12-month period, under the Plan and any other stock option plan, stock option arrangement or performance share unit plan of the Corporation to persons who are Insiders shall not exceed 10% of the total number of Common Shares outstanding; and
- (b) the number of Common Shares issuable from treasury in any 12-month period under the Plan and any other stock option plan, stock option arrangement or performance share unit plan of the Corporation:
  - (i) to any one individual shall not exceed 5% of the total number of Common Shares outstanding;
  - (ii) to any one consultant shall not exceed 2% of the total number of Common Shares outstanding; and
  - (iii) to employees conducting Investor Relations Activities shall not exceed in the aggregate 2% of the total number of Common Shares outstanding.

The aforementioned limits on the number of Common Shares reserved for issuance may be formulated on a diluted basis with the consent of the Exchange if such consent is required pursuant to the rules of such Exchange.

The terms "insider" and "associates" have the meanings ascribed thereto pursuant to applicable securities legislation, and the term "outstanding issue" means the number of Common Shares of the Corporation outstanding immediately prior to the share issuance in question. Any Stock Options granted to a corporation referred to in Section 3 hereof shall be included in the calculation of the Stock Options held by a related person.

## **5. Exercise Price**

- (a) The exercise price of each Stock Option shall be determined in the discretion of the Board of Directors at the time of the granting of the Stock Option, provided that the exercise price shall not be lower than the "market price" of the Common Shares at the time the Stock Option is granted. The "market price" shall be the volume weighted average price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant of the Stock Option if the Common Shares are listed on the TSX or the minimum exercise price permitted by any other Exchange in which the Common Shares are listed if the Common Shares are not listed on the TSX; provided that if the Common Shares are not listed on any Exchange, the market price shall be such price as is determined by the Board of Directors, acting in good faith.
- (b) Disinterested shareholder approval will be obtained for any reduction in the exercise price of the Stock Options if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

## **6. Term and Exercise Periods**

All Stock Options shall be for a term and exercisable from time to time as determined in the discretion of the Board of Directors at the time of the granting of the Stock Options, provided that no Stock Option shall have a term exceeding ten years, and by way of example, without limiting the generality of the foregoing or the discretion of the Board, the Board of Directors may determine:

- (a) that a Stock Option is exercisable only during the term of employment of or provision of services by the Eligible Optionee receiving it or during such term and for a limited period of time after termination of employment or cessation of services, as applicable;
- (b) that a Stock Option can be exercisable for a period of time of up to one year after death, or for a period of time or for its remaining term after the permanent disability of the Eligible Optionee as determined by agreement between the Eligible Optionee (or his legal representative) and the Corporation, or by a medical doctor or other health care specialist mutually selected by the Corporation and the Eligible Optionee (or, if they cannot agree on the selection of the doctor or specialist, a doctor or specialist appointed by the Court of Queen's Bench in Calgary, Alberta) ("Permanent Disability");
- (c) that only a portion of a Stock Option is exercisable in a specified period;
- (d) that the unexercised portion of a Stock Option is "cumulative" so that any portion of a Stock Option exercisable (but not exercised) in a specified period may be exercised in subsequent periods until the Stock Option terminates;
- (e) that if the Eligible Optionee ceases to be a director, officer or employee of the Corporation or any of its subsidiaries or a consultant to the Corporation or any of its subsidiaries for any reason whatsoever (other than as a result of death or the Permanent Disability of the Eligible Optionee, the Eligible Optionee may, but only within ninety (90) days after the

Eligible Optionee's ceasing to be a director, officer, employee or consultant or prior to the expiration date in respect of the Stock Option, whichever is earlier, exercise any Stock Option held by the Eligible Optionee, but only to the extent that the Eligible Optionee was entitled to exercise the Stock Option at the date of such cessation;

- (f) options granted to an Optionee engaged in Investor Relations Activities must expire within 30 days after the Optionee ceases to be employed to provide Investor Relations Activities;

and other appropriate terms in other circumstances, such as if the Corporation shall resolve to sell all or substantially all of its assets, to liquidate or dissolve, or to merge, amalgamate, consolidate or be absorbed with or into any other corporation, if a take-over bid is made for Common Shares of the Corporation, or if any change of control of the Corporation occurs, subject to the provisions of Section 12 with respect to Unsolicited Offers (as defined below).

If the Eligible Optionee ceases to be a director, officer or employee of the Corporation or any of its subsidiaries or a consultant to the Corporation or any of its subsidiaries for any reason whatsoever, the Stock Options held by such Eligible Optionee must expire within a reasonable period following the date of such cessation, but only to the extent that the Eligible Optionee was entitled to exercise the Stock Option at the date of such cessation.

In the event that (a) the date determined by the Board of Directors on which a Stock Option will expire falls within a period of time imposed by the Corporation, pursuant to the Corporation's policies, upon certain designated persons during which those persons may not trade in any securities of the Corporation (a "**Black-Out Period**") or (b) expiry of a Stock Option falls within five (5) business days after a Black-Out Period (not including a Black-Out Period imposed due to a cease trade order), the expiry date of such Stock Option shall be ten (10) business days from the date any Black-Out Period ends, provided that no Stock Option shall have a term exceeding ten years.

## **7. Non-Assignability**

Stock Options shall not be assignable or transferable by an Eligible Optionee, except: (a) for a limited right of assignment to allow the exercise of Stock Options by an Eligible Optionee's legal representative in the event of death or Permanent Disability, subject to the terms upon which the Stock Option is granted, and provide such period does not exceed one year from the Optionee's death or Permanent Disability; and (b) with the approval of the Board of Directors and the Exchange if approval of the Exchange is required pursuant to the rules of such Exchange, there is a right to transfer such Stock Options to a corporation controlled by the Eligible Optionee and wholly-owned by the Eligible Optionee and his or her spouse or children.

## **8. Payment of Exercise Price**

Except as provided in Section 10 all Common Shares issued pursuant to the exercise of a Stock Option shall be paid for in full in Canadian funds at the time of exercise of the Stock Option and prior to the issue of the shares. All Common Shares of the Corporation issued in accordance with the foregoing shall be issued as fully paid and non-assessable Common Shares.

## **9. Withholding Taxes**

In connection with the exercise of a Stock Option, the Eligible Optionee (or his or her heirs or administrators) shall follow the Corporation's procedures and policies relating to the payment or funding of any withholding taxes applicable to the exercise of the Stock Option, including, where required by the Corporation, the remittance to the Corporation by the Eligible Optionee (or his or

her heirs or administrators) of an amount of cash sufficient to satisfy any withholding requirements relating to the exercise of the Stock Option.

#### **10. Non-Exercise**

The automatic "reloading" of Stock Options upon the exercise of Stock Options is permitted under the Plan. If any Stock Options granted under the Plan shall expire, terminate or be cancelled or surrendered for any reason without having been exercised in full, any unpurchased Common Shares to which such Stock Options relate shall be available for the purposes of the granting of further Stock Options under the Plan, however, at no time shall there be outstanding Stock Options exceeding in the aggregate the number of Common Shares of the Corporation reserved for issuance pursuant to Stock Options under the Plan.

#### **11. Change of Control Transactions and Unsolicited Offers**

Notwithstanding the terms of the Plan, and unless otherwise determined by the Board of Directors, in the event of: (i) any Change of Control Transaction, or (ii) an Unsolicited Offer for the Common Shares is made, all unexercised and unvested outstanding Stock Options granted under the Plan shall vest and become immediately exercisable in respect of any and all Common Shares for which the holder of Stock Options has not exercised the Stock Options (immediately prior to the effective time of such Change of Control or on the date the Unsolicited Offer is made, as applicable), notwithstanding that an agreement relating to the grant of Stock Options states that those Stock Options are exercisable only during a later period or year.

For the purposes hereof, a "Change of Control Transaction" means

- (i) the purchase or acquisition of Common Shares and/or securities convertible into Common Shares or carrying the right to acquire Common Shares ("Convertible Securities") as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the Business Corporations Act (Alberta) with any such person, group of persons or any of such persons acting jointly or in concert (collectively the "Persons") beneficially own or exercise control or direction over Common Shares and/or Convertible Securities such that, assuming only the conversion of the Convertible Securities beneficially owned by the Persons thereof, would have the right to cast more than fifty percent (50%) of the votes attached to all Common Shares; or
- (ii) approval by the shareholders of the Corporation of: (i) an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another corporation or other entity pursuant to which the shareholders of the Corporation immediately thereafter do not own securities of the successor or continuing corporation or other entity which would entitle them to cast more than fifty (50%) percent of the votes attaching to all of the shares in the capital of the successor or continuing corporation or other entity which may be cast to elect directors of that corporation or other entity to manage the Corporation; (ii) a liquidation, dissolution or winding-up of the Corporation; or (iii) the sale, lease or other disposition of all or substantially all of the assets of the Corporation;

provided that (A) a Change of Control Transaction shall not be deemed to occur in the case of an internal reorganization that does not result in a change in the shareholders or management of the Corporation, and (B) in the event there is any question as to whether a Change of Control Transaction has occurred in any circumstances, the Board shall determine the matter and any such determination of the Board shall be final and conclusive for the purposes of the Plan.

For the purposes hereof, an "Unsolicited Offer" means an Offer in respect of which neither the Board of Directors nor management of the Corporation solicited, sought out, or otherwise arranged for the offeror party to make such Offer. For the purposes hereof, "Offer" means an offer made generally to the holders of Common Shares in one or more jurisdictions to acquire, directly or indirectly, the Common Shares and which is in the nature of a "takeover bid" as defined in the *Securities Act* (Alberta) and, where the Common Shares are listed and posted for trading on an Exchange, not exempt from the formal bid requirements of the *Securities Act* (Alberta). Any Stock Option remaining unexercised following the earlier of the withdrawal of such Unsolicited Offer and the expiry of such Unsolicited Offer in accordance with its terms again becomes subject to the original terms of the agreement relating to the grant of Stock Options as if the Unsolicited Offer had not been made.

In addition to the foregoing, if the Board approves any Change of Control Transaction, the Board may, in its sole discretion, deliver prior notice of such Change of Control Transaction in writing to the Eligible Optionees who have been granted Stock Options and may provide such Eligible Optionees with a seven (7) day period from the giving of such notice (or such longer period as may be determined by the Board and as may be specified in such notice) to purchase all or a portion of the number of Common Shares to which such Eligible Optionees are entitled pursuant to the unexercised Stock Options. Any number of the Stock Options not exercised at the expiry of such period shall, if so specified in such notice, terminate and expire notwithstanding any other provisions contained herein, unless such Change of Control Transaction is not completed.

## **12. Adjustment in Certain Circumstances**

In the event:

- (a) of any change in the Common Shares of the Corporation through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or
- (b) of any stock dividend to holders of Common Shares of the Corporation (other than such stock dividends issued at the option of shareholders of the Corporation in lieu of substantially equivalent cash dividends); or
- (c) that any rights are granted to all or substantially all of the holders of Common Shares to purchase Common Shares of the Corporation at prices substantially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise (other than a Change of Control Transaction) the Common Shares of the Corporation are converted into or exchangeable for any other shares;

then in any such case the Board of Directors may make such adjustment in the Plan and in the Stock Options granted under the Plan as the Board of Directors may in its sole discretion (and without shareholder approval) deem appropriate to prevent substantial dilution or enlargement of the rights granted to, or available for, holders of Stock Options, and such adjustments may be included in the Stock Options.

## **13. Expenses**

All expenses in connection with the Plan shall be borne by the Corporation.

#### **14. Compliance with Laws**

The Corporation shall not be obliged to issue any shares upon exercise of Stock Options if the issue would violate any law or regulation or any rule of any governmental authority or Exchange. The Corporation shall not be required to issue, register or qualify for resale any shares issuable upon exercise of Stock Options pursuant to the provisions of a prospectus or similar document, provided that the Corporation shall notify the applicable regulatory bodies of the existence of the Plan and the issuance and exercise of Stock Options.

#### **15. Form of Stock Option Agreement**

All Stock Options shall be issued by the Corporation in a form which meets the general requirements and conditions set forth in the Plan and the applicable regulatory bodies.

#### **16. Amendments and Termination of Plan**

The Corporation retains the right to amend from time to time or to suspend, terminate or discontinue the terms and conditions of the Plan and the Stock Options granted hereunder by resolution of the Board. Any amendments shall be subject to the prior consent of any applicable regulatory bodies. Any amendment to the Plan shall take effect only with respect to Stock Options granted after the effective date of such amendment, provided that it may apply to any outstanding Stock Options with the mutual consent of the Corporation and the Eligible Optionees to whom such Stock Options have been granted. The Board of Directors shall have the power and authority to approve amendments relating to the Plan or to Stock Options, without further approval of the shareholders, to the extent that such amendment:

- (a) is for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (b) is necessary to comply with applicable law or the requirements of any Exchange on which the Common Shares are listed;
- (c) is an amendment to the Plan respecting administration and eligibility for participation under the Plan;
- (d) changes the terms and conditions on which Stock Options may be or have been granted pursuant to the Plan including changes to the vesting provisions, early termination provisions, term of such Stock Options and other terms (excluding any change in the exercise price of such Stock Options);
- (e) alters, extends or accelerates the terms of vesting applicable to any Stock Option;
- (f) changes the termination provisions of a Stock Option or the Plan which does not entail an extension beyond the original expiry date; or
- (g) is an amendment to the Plan of a "housekeeping nature";

provided that in the case of any alteration, amendment or variance referred to in paragraph (a) or (b) of this Section 16 the alteration, amendment or variance does not:

- (h) amend the number of Common Shares issuable under the Plan;

- (i) add any form of financial assistance by the Corporation for the exercise of any Stock Option;
- (j) result in a material or unreasonable dilution in the number of outstanding Common Shares or any material benefit to an Eligible Optionee; or
- (k) change the class of eligible participants to the Plan which would have the potential of broadening or increasing participation by insiders of the Corporation (as the term "insider" has the meaning ascribed thereto pursuant to applicable securities legislation).

Without limiting the generality of the foregoing, but subject to any required regulatory approval of any regulatory authority or stock exchange, the Board may amend the exercise price, the expiration date and the termination provisions of Stock Options granted pursuant to the Plan, without shareholder approval, provided that if the Board proposes to reduce the exercise price or extend the expiration date of a Stock Option held by an Eligible Optionee who is an insider of the Corporation at the time of the amendment (unless the extension is pursuant to any Black-Out Period that may be in effect), such amendment will require disinterested shareholder approval.

#### **17. Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by an Exchange.

#### **18. Delegation of Administration of the Plan**

Subject to the *Business Corporations Act* (Alberta) or any other legislation governing the Corporation, the Board of Directors may delegate to one or more directors or officers of the Corporation, on such terms as it considers appropriate, all or any part of the powers, duties and functions relating to the granting of Stock Options and the administration of the Plan.

#### **19. Applicable Law**

The Plan shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

#### **20. Stock Exchange**

To the extent applicable, the issuance of any shares of the Corporation pursuant to Stock Options issued pursuant to the Plan is subject to approval of the Plan by the Exchange, and the Plan shall be subject to the ongoing requirements of such Exchange.

#### **21. Effective Date**

The Plan shall take effect on the date of its adoption by the Board.

Any Stock Options granted prior to such approvals shall be conditional upon such approval being given and no Stock Option may be exercised unless such approval is given.