

RAILTOWN CAPITAL CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

Dated: October 16, 2025

Meeting Details

Date: November 12, 2025
Time: 9:00 a.m. (Vancouver time)
Place: 666 Burrard Street, Suite 2500
Vancouver, BC V6C 2X8

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Shares**") of Railtown Capital Corp. (the "**Company**") will be held at 666 Burrard Street, Suite 2500, Vancouver, BC V6C 2X8 on November 12, 2025, at 9:00 a.m. (Vancouver time) for the following purposes:

- (a) to receive the audited financial statements of the Company for the financial year ended November 30, 2024 and the report of the auditor thereon;
- (b) to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to set the number of directors of the Company for the ensuing year at five;
- (c) to elect Chris Taylor, Claudia Tornquist, Adam Schatzker, Jeff Sundar and Cameron White as the directors of the Company effective as of the date of the Meeting;
- (d) to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to increase the number of directors of the Company to seven, conditional upon and effective as of the completion of the proposed business combination (the "**Proposed Transaction**") between the Company and Tiernan Gold Corp., as more fully described in the management information circular in respect of the Meeting (the "**Circular**");
- (e) to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to appoint each of Fausto Di Trapani, Greg McCunn, Eduardo Noriega, Nicolas Hochschild and Jill Gardiner as directors of the Company effective as of the closing of the Proposed Transaction and conditional upon the resignation of each of Adam Schatzker, Jeff Sundar and Cameron White as directors of the Company;
- (f) to re-appoint MNP LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;
- (g) to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to re-approve the Company's stock option plan (the "**Current Option Plan**"), as more particularly described in the Circular;
- (h) to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution authorizing the implementation of an omnibus equity incentive plan (the "**New Omnibus Plan**") to take effect and replace the Current Option Plan immediately following and conditional upon the completion of the Proposed Transaction, as more particularly described in the Circular; and
- (i) to transact such other matters as shall properly come before the Meeting, or as may be required by the TSX Venture Exchange in order to give effect to the Proposed Transaction.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the Circular, which accompanies this notice of the Meeting (this "**Notice**").

A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder's Shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy (the "Proxy") and deliver it in accordance with the instructions set out in the Proxy and in the Circular.

A Proxy will not be valid unless it is duly completed, signed and deposited with the Company's registrar and transfer agent, Odyssey Trust Company by hand, courier or mail at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or by fax within North America at 1 800 517 4553 or via email to proxy@odysseytrust.com, prior to the close of business (Vancouver time) on the last business day prior to the date of the Meeting or any adjournment thereof. A Proxy must be signed by the Shareholder or by his or her attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. A Shareholder may also vote by online voting at <https://vote.odysseytrust.com> using the control number printed on the Proxy prior to the close of business (Vancouver time) on the last business day prior to the date of the Meeting or any adjournment thereof.

On September 25, 2025 the Canadian Union of Postal Workers commenced a nationwide strike which resulted in the complete suspension of mail delivery by Canada Post (the "**Postal Suspension**"). On October 14, 2025 the Canadian Union of Postal Workers halted its nationwide strike in favour of a series of rotating strikes and on October 15, 2025 Canada Post recommenced accepting commercial volumes for mailing. As of the date of this Notice, delivery of mail in Canada remains severely disrupted and the Company does not have any indication as to when such disruption may cease or if a nationwide Postal Suspension will resume. As a result, postal delivery is expected to be delayed.

The Company has relied on CSA Coordinated Blanket Order 51-932 (the "**Order**") for an exemption from the requirements to send proxy-related materials (the "**Meeting Materials**") for the Meeting. The Company confirms that it has satisfied all of the conditions to rely on the Order. The Order requires the Company to comply with its delivery obligations under securities law with respect to the Meeting Materials no later than the seventh day after Canada Post resumed accepting commercial volumes following the end of the Postal Suspension. Pursuant to such obligations the Company has mailed the Meeting Materials but due to delays in postal delivery there can be no assurance that the Meeting Materials will be received by shareholders prior to the Meeting.

The Meeting Materials are accessible under the Company's profile on the System for Electronic Data Analysis and Retrieval+ ("**SEDAR+**") at www.sedarplus.ca. Shareholders are encouraged to access the Meeting Materials directly through SEDAR+, or they may contact Cameron White, Corporate Secretary, at +1 (604) 765-2601, or by email at railtowncapital@gmail.com to request electronic copies of the Meeting Materials.

For Shareholders who do not receive physical delivery of the Proxy or a voting instruction form by mail due to the Postal Suspension, the Proxy is also available under the Company's profile on SEDAR+ at www.sedarplus.ca. **Due to potential delays in mail delivery and the possibility of further labour action, Shareholders are advised not to rely on postal delivery of completed Proxies in Canada and to instead utilize the alternate delivery processes of hand delivery, courier, fax, email or online proxy delivery processes described above and in the Circular.**

We strongly encourage Shareholders to vote their Shares prior to the Meeting by proxy, prior to the proxy cut-off at 5:00 p.m. (Vancouver time) on November 10, 2025, as voting will not be available via telephone on the day of the Meeting.

As set out in the notes thereto, the Proxy is solicited by management, but you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

DATED this 16th day of October, 2025

By order of the Board of Directors

RAILTOWN CAPITAL CORP.

/s/ "Christopher Taylor"

Christopher Taylor
Director, CEO and President

MANAGEMENT INFORMATION CIRCULAR

(containing information as at October 16, 2025 unless otherwise stated)

**For the Annual General and Special Meeting
to be held on November 12, 2025**

SOLICITATION OF PROXIES

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management (the "**Management**") of Railtown Capital Corp. (the "**Company**"), for use at the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Shares**") of the Company to be held on November 12, 2025 at the time and place and for the purposes set forth in the accompanying notice of meeting ("**Notice**") and at any adjournment thereof.

We strongly encourage Shareholders to vote their Shares prior to the Meeting by proxy, prior to the proxy cut-off at 5:00 p.m. (Vancouver time) on November 10, 2025, as voting will not be available via telephone on the day of the Meeting.

The enclosed form of proxy (the "**Proxy**") is solicited by Management. Given the Postal Suspension (as defined below), the solicitation will be made in reliance of the Order (as defined below); however, proxies may be solicited by mail or courier, personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

On September 25, 2025 the Canadian Union of Postal Workers commenced a nationwide strike which resulted in the complete suspension of mail delivery by Canada Post (the "**Postal Suspension**"). On October 14, 2025 the Canadian Union of Postal Workers halted its nationwide strike in favour of a series of rotating strikes and on October 15, 2025 Canada Post recommenced accepting commercial volumes for mailing. As of the date of this Circular, delivery of mail in Canada remains severely disrupted and the Company does not have any indication as to when such disruption may cease or if a nationwide Postal Suspension will resume. As a result, postal delivery is expected to be delayed.

The Company has relied on CSA Coordinated Blanket Order 51-932 (the "**Order**") for an exemption from the requirements to send proxy-related materials (the "**Meeting Materials**") for the Meeting. The Company confirms that it has satisfied all of the conditions to rely on the Order. The Order requires the Company to comply with its delivery obligations under securities law with respect to the Meeting Materials no later than the seventh day after Canada Post resumed accepting commercial volumes following the end of the Postal Suspension. Pursuant to such obligations the Company has mailed the Meeting Materials but due to delays in postal delivery there can be no assurance that the Meeting Materials will be received by shareholders prior to the Meeting.

The Meeting Materials are accessible under the Company's profile on the System for Electronic Data Analysis and Retrieval+ ("**SEDAR+**") at www.sedarplus.ca. Shareholders are encouraged to access the Meeting Materials directly through SEDAR+, or they may contact Chris Taylor, President and Chief Executive Officer, at +1 (778) 938-5298, or by email at railtowncapital@gmail.com to request electronic copies of the Meeting Materials.

For Shareholders who do not receive physical delivery of the Proxy by mail due to the Postal Suspension, the Proxy is also available under the Company's profile on SEDAR+ at www.sedarplus.ca. **Due to potential delays in mail delivery and the possibility of further labour action, Shareholders are advised not to rely on postal delivery of completed Proxies in Canada and to instead utilize the alternate delivery processes of hand delivery, courier, fax, email or online proxy delivery processes described above and in the Circular.**

This Circular and the Notice, the Request for Financial Statements (NI 51-102) and the Proxy will be available from Odyssey at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or from the office of the Company's counsel, which is located at 666 Burrard Street, Suite 2500, Vancouver, BC V6C 2X8.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the Proxy are representatives of the Company.

A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying Proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying Proxy and insert the name of the Shareholder's nominee in the blank space provided or complete another suitable form of proxy.

A Proxy will not be valid unless it is duly completed, signed and deposited with the Company's registrar and transfer agent, Odyssey Trust Company ("**Odyssey**") by hand, courier or mail at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or by fax within North America at 1-800-517-4553 or via email to proxy@odysseytrust.com, prior to the close of business (Vancouver time) on the last business day prior to the date of the Meeting or any adjournment thereof. A Proxy must be signed by the Shareholder or by his or her attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. A Shareholder may also vote by online voting at <https://vote.odysseytrust.com> using the control number printed on the Proxy prior to the close of business (Vancouver time) on the last business day prior to the date of the Meeting or any adjournment thereof. Shareholders may also appoint a proxyholder to attend and vote at the Meeting on the Shareholder's behalf and convey a Shareholder's voting instructions at <https://vote.odysseytrust.com> using the control number printed on the Proxy.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand, courier or mail with Odyssey at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or by fax within North America at 1-800-517-4553 or via email to proxy@odysseytrust.com, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

As of the date of this Circular, delivery of mail in Canada remains severely disrupted and the Company does not have any indication as to when such disruption may cease or if a nationwide Postal Suspension will resume. As a result postal delivery is expected to be delayed. **Due to potential delays in mail delivery and the possibility of further labour action, Shareholders are advised not to rely on postal delivery of completed Proxies in Canada and to instead utilize the alternate delivery processes of hand delivery, courier, fax, email or online proxy delivery processes described in this Circular.** Please see below for further instructions as to how Registered Shareholders and Beneficial Shareholders (each as defined below) may vote their shares.

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 broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an "**Intermediary**") holding on your behalf.

By choosing to send these materials to you directly, the Company (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.

VOTING BY PROXYHOLDER

Manner of Voting

The Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the Shares will be voted accordingly. On any poll, the persons named in the Proxy (the "**Proxyholders**") will vote the Shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.

Voting Thresholds Required for Approval

In order to approve a motion proposed at the Meeting, a simple majority of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required.

ADVICE TO REGISTERED SHAREHOLDERS

Shareholders whose names appear on the records of the Company as the registered holders of Shares (the "**Registered Shareholders**") may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Odyssey at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or by fax within North America at 1-800-517-4553 or via email to proxy@odysseytrust.com, prior to the close of business (Vancouver time) on the last business day prior to the date of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. A Registered Shareholder may also vote by online voting at <https://vote.odysseytrust.com> using the control number printed on the Proxy prior to the close of business (Vancouver time) on the last business day prior to the date of the Meeting or any adjournment thereof.

As of the date of this Notice, delivery of mail in Canada remains severely disrupted and the Company does not have any indication as to when such disruption may cease or if a nationwide Postal Suspension will resume. As a result, postal delivery is expected to be delayed. For Shareholders who do not receive physical delivery of the Proxy by mail due to the Postal Suspension, the Proxy is also available under the Company's profile on SEDAR+ at www.sedarplus.ca. **Due to potential delays in mail delivery and the possibility of further labour action, Shareholders are advised not to rely on postal delivery of**

completed Proxies in Canada and to instead utilize the alternate delivery processes of hand delivery, courier, fax, email or online proxy delivery processes described above and in this Circular.

Returning your Proxy Form

To be effective, Odyssey must receive your completed proxy form no later than 5:00 p.m. (Vancouver time) on November 10, 2025.

If the Meeting is postponed or adjourned, Odyssey must receive your completed form of proxy by 5:00 p.m. (Vancouver time), on the last business day before any adjourned or postponed Meeting at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairperson of the Meeting at their discretion and they are under no obligation to accept or reject a late proxy. The Chairperson of the Meeting may waive or extend the proxy cut-off without notice.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Shares in their own name. Shareholders who do not hold their Shares in their own name ("**Beneficial Shareholders**"), are advised that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms).

Existing regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its Intermediary (or the agent of the Intermediary) is substantially similar to the form of proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the Intermediary or agent of the Intermediary) how to vote on behalf of the Beneficial Shareholder. The vast majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form (a "**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. Due to the ongoing Postal Suspension, Beneficial Shareholders may not receive materials from Broadridge. **A Beneficial Shareholder who receives a VIF from Broadridge cannot use that form to vote Shares directly at the Meeting. VIFs must be returned to Broadridge (or instructions respecting the voting of Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted. If you have not received a VIF from Broadridge or if you have any other questions regarding the voting of Shares held through an Intermediary, please contact that Intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of an Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting in person and indirectly vote their Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their Intermediary (or the Intermediary's agent) in accordance with the instructions provided by such Intermediary.**

For purposes of applicable securities regulatory policies relating to the dissemination of proxy-related materials and other securityholder materials and the request for voting instructions from Beneficial Shareholders, there are two categories of Beneficial Shareholders. Non-objecting Beneficial Shareholders ("**NOBOs**") are Beneficial Shareholders who have advised their Intermediary that they do not object to their Intermediary disclosing ownership information to the Company, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Company. Objecting Beneficial Shareholders ("**OBOs**") are Beneficial Shareholders who have advised their Intermediary that they object to their Intermediary disclosing such ownership information to the Company.

This year, the Company has decided to take advantage of those provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") that permit it to directly deliver proxy-related materials to its NOBOs. Subject to the Postal Suspension, NOBOs may receive a VIF from Broadridge. These VIFs are to be completed and returned to Odyssey in the envelope provided or online at <https://vote.odysseytrust.com>, as further described in the VIF.

The Company does not intend to pay for Intermediaries to forward the proxy-related materials and VIFs to OBOs under NI 54-101. In the case of an OBO, the OBO will not receive the materials unless the OBO's Intermediary assumes the cost of delivery.

As of the date of this Circular, delivery of mail in Canada remains severely disrupted and the Company does not have any indication as to when such disruption may cease or if a nationwide Postal Suspension will resume. As a result postal delivery is expected to be delayed. Beneficial Shareholders who do not receive physical delivery of their VIF from their Intermediary by mail due to the Postal Suspension may obtain their VIF by contacting the Intermediary that holds their Shares. **Due to potential delays in mail delivery and the possibility of further labour action, Beneficial Shareholders are advised not to rely on postal delivery of completed VIFs in Canada and to instead utilize alternate processes described in the VIF.**

PROPOSED QUALIFYING TRANSACTION

On October 6, 2025, the Company entered into a business combination agreement (the "**Business Combination Agreement**") with Tiernan Gold Corp. ("**Tiernan**") (a wholly-owned subsidiary of Hochschild Mining PLC) and 1559261 B.C. Ltd., (a wholly-owned subsidiary of the Company), which sets out the terms and conditions of a three-cornered amalgamation that will result in the Company acquiring all of the issued and outstanding common shares of Tiernan in exchange for Shares and will result in a reverse-takeover of the Company by Tiernan (the "**Proposed Transaction**").

It is anticipated that the Proposed Transaction will constitute the "Qualifying Transaction" (as such term is defined in Policy 2.4 – *Capital Pool Companies* ("**Policy 2.4**") of the Corporate Finance Manual (the "**TSXV Manual**") of the TSX Venture Exchange (the "**TSXV**") of the Company and, upon completion of the Proposed Transaction, the entity resulting from the Proposed Transaction (the "**Resulting Issuer**") is expected to meet the initial listing requirements of the TSXV as a "Tier 1" company in the mining industry and the business of Tiernan of advancing the large-scale open-pit heap leach Volcan gold project located in the Maricunga Region of Chile will become the business of the Resulting Issuer.

The closing of the Proposed Transaction is subject to the receipt of all requisite regulatory approvals (including the approval of the TSXV) and other customary conditions.

The Proposed Transaction will not constitute a "Non-Arm's Length Qualifying Transaction" (as such term is defined in the policies of the TSXV) and, as such, Shareholder approval is not required to approve the Proposed Transaction (unless otherwise mandated by the TSXV). However, in connection with the Proposed Transaction, Shareholders are being asked at the Meeting to approve: (a) an increase of the number of directors of the Company to seven, conditional upon and effective as of the completion of the Proposed Transaction; (b) the appointment of each of Fausto Di Trapani, Greg McCunn, Eduardo Noriega, Nicolas Hochschild and Jill Gardiner as directors of the Company effective as of the closing of the Proposed

Transaction and conditional upon the resignation of each of Adam Schatzker, Jeff Sundar and Cameron White as directors of the Company; and (c) the implementation of the New Omnibus Plan (as defined below) to take effect and replace the Current Option Plan (as defined below) immediately following the completion of the Proposed Transaction, in each case as more particularly described in this Circular. Shareholder approval of each such resolution is a condition to closing of the Proposed Transaction.

For more information regarding the Proposed Transaction, please see the news release of the Company dated October 6, 2025 available under the Company's profile on SEDAR+ at www.sedarplus.ca. A copy of the Business Combination Agreement is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

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

Except as otherwise disclosed herein, none of the directors ("**Directors**") or officers ("**Officers**") of the Company, at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors. Directors and Officers may, however, be interested in the approval of the Current Option Plan as detailed in "*Approval of Current Option Plan*" below, as such persons are entitled to participate in the Current Option Plan, or the New Omnibus Plan as detailed in "*Approval of New Omnibus Plan*", as such persons may be entitled to participate in the New Omnibus Plan, if they meet the eligibility requirements thereunder following completion of the Proposed Transaction.

RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

A Shareholder of record at the close of business on October 8, 2025 (the "**Record Date**") who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder's Shares voted at the Meeting, or any adjournment thereof.

The Company's authorized capital consists of an unlimited number of Shares without par value. As at the Record Date, the Company has 19,500,000 Shares issued and outstanding, each Share carrying the right to one vote.

Principal Holders of Voting Securities

To the best of knowledge of the Directors and Officers of the Company, as of the date of the Circular, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares.

STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation and sets forth compensation for each of the NEOs and Directors of the Company.

For the purpose of this Circular:

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-Based Payments;

"NEO" or "named executive officer" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, or the most highly compensated individual 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, as determined in accordance with subsection 1.3(6) of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"), for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

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

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and Director, in any capacity, for the two most recently completed financial years:

Table of Compensation Excluding Compensation Securities								
Name and position	Financial Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Pension value (\$)	Value of all other compensation (\$)	Total compensation (\$)
Cameron White ⁽²⁾ <i>Director and Corporate Secretary</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Taylor ⁽³⁾ <i>Director, CEO and President</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Claudia Tornquist <i>Director and CFO</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Adam Schatzker ⁽⁴⁾ <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jeff Sundar ⁽⁵⁾ <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Graeme Barker ⁽⁶⁾ <i>Former Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Table of Compensation Excluding Compensation Securities								
Name and position	Financial Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Pension value (\$)	Value of all other compensation (\$)	Total compensation (\$)
Timothy Gamble ⁽⁷⁾ <i>Former Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Financial year ended November 30.
- (2) Cameron White resigned from his positions as the Chief Executive Officer and President of the Company on November 3, 2023.
- (3) Christopher Taylor joined the Company as a director and its Chief Executive Officer and President on November 3, 2023.
- (4) Adam Schatzker joined the Company as a director on March 4, 2024.
- (5) Jeff Sundar joined the Company as a director on March 4, 2024.
- (6) Graeme Barker resigned as a director on March 4, 2024.
- (7) Timothy Gamble resigned as a director on March 4, 2024.

Stock Options and Other Compensation Securities

The following table sets forth the option-based awards granted to the NEOs and Directors of the Company during the year ended November 30, 2024:

Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Chris Taylor <i>Director, CEO and President</i>	Stock Options	200,000	March 4, 2024	\$0.53	\$0.45	\$0.49	March 4, 2034
Adam Schatzker <i>Director</i>	Stock Options	200,000	March 4, 2024	\$0.53	\$0.45	\$0.49	March 4, 2034
Jeff Sundar <i>Director</i>	Stock Options	200,000	March 4, 2024	\$0.53	\$0.45	\$0.49	March 4, 2034

As at the end of the Company's most recently completed financial year, being November 30, 2024, the following options ("**Options**") to purchase Shares were outstanding to NEOs and Directors:

- Cameron White held 412,500 Options exercisable into Shares at a price of \$0.10 per Share until January 28, 2031;
- Claudia Tornquist held 262,500 Options exercisable into Shares at a price of \$0.10 per Share until January 28, 2031;
- Chris Taylor held 200,000 Options exercisable into Shares at a price of \$0.53 per Share until March 4, 2034;
- Jeff Sundar held 200,000 Options exercisable into Shares at a price of \$0.53 per Share until March 4, 2034; and
- Adam Schatzker held 200,000 Options exercisable into Shares at a price of \$0.53 per Share until March 4, 2034.

Exercise of Compensation Securities by Directors and NEOs

No NEO or Director of the Company exercised compensation securities of the Company in the financial year ended November 30, 2024.

Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "**Current Option Plan**") allows the board of directors of the Company (the "**Board**"), or a committee of the Board, to grant Options to purchase Shares to directors, officers, consultants, technical consultants and employees of the Company or its subsidiaries, if any, and employees of a person or company which provides management services to the Company or its subsidiaries, if any, and which are required for the ongoing successful operation of the Company ("**Management Company Employees**"), and Eligible Charitable Organizations (as defined in Policy 4.4 of the TSXV Manual ("**Policy 4.4**")) shall be eligible for selection to participate in the Current Option Plan (such persons referred to as "**Participants**").

The purpose of the Current Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Current Option Plan is subject to the following restrictions:

- the number of Shares issuable upon the exercise of all Options granted under the Current Option Plan shall not exceed 10% of the total number of issued and outstanding Shares;
- the maximum aggregate number of Shares issuable upon the exercise of all Options granted under the Current Option Plan to any single Participant, in any twelve-month period, when combined with all Shares issuable to such Participant pursuant to all other Security Based Compensation Plans (as defined in Policy 4.4) of the Company, must not exceed 5% of the outstanding Shares calculated at the date of the grant, unless the Company has obtained disinterested Shareholder approval in respect the grant and meets applicable Exchange requirements;
- the maximum aggregate number of Shares issuable upon the exercise of all Options granted under the Current Option Plan to any single consultant of the Company (or any of its subsidiaries) in any twelve-month period, when combined with all Shares issuable to such consultant pursuant to all other Security Compensation Plans of the Company, shall not exceed 2% of the issued Shares (calculated as at the date of such grant);
- the maximum aggregate number of Shares issuable upon the exercise of all Options granted under the Current Option Plan to all Participants performing investor relations activities, in any twelve-month period, when combined with all Shares issuable to such Participants performing investor relations activities pursuant to all other Security Compensation Plans of the Company, shall not exceed 2% of the issued Shares (calculated as at the date of such grant). Options granted to Participants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3-month period after such Options were granted.
- the maximum aggregate number of Shares issuable upon the exercise of all Options granted under the Current Option Plan to an Eligible Charitable Organization, in any twelve-month period, when combined with all Shares issuable to such Eligible Charitable Organization pursuant to all other Security Compensation Plans of the Company, shall not exceed 1% of the issued Shares calculated as at the date of such grant, and any such Options must expire after the earlier of: (i) 10 years from the date of grant; and (ii) ninety (90) days after the optionee ceases to be an Eligible Charitable Organization;

- the maximum aggregate number of Shares issuable upon the exercise of all Options granted under the Current Option Plan to insiders of the Company (as a group), when combined with all Shares issuable to insiders pursuant to all other Security Compensation Plans of the Company, shall not exceed 10% of the issued Shares at any point in time, unless the Company has obtained disinterested Shareholder approval in respect of such grant and meets applicable Exchange requirements;
- the maximum aggregate number of Shares issuable upon the exercise of all Options granted under this Current Option Plan to insiders of the Company (as a group), in any twelve-month period, when combined with all Shares issuable to such Participant pursuant to all other Security Compensation Plans of the Company, shall not exceed 10% of the issued Shares, calculated as at the date of such grant, unless the Company has obtained disinterested Shareholder approval in respect of such grant and meets applicable Exchange requirements.
- Options are not transferable or assignable unless specifically provided in the Current Option Plan or to the extent, if any, permitted by the TSXV. During the lifetime of a Participant any benefits, rights and Options may only be exercised by the Participant;
- the Board shall ensure that Participants under the Current Option Plan are eligible to participate under the Current Option Plan, and, if required by the TSXV, shall represent and confirm that the Participant is a bona fide employee, consultant or Management Company Employee and such Participant shall represent that he or she is a bona fide employee, consultant or Management Company Employee;
- if a Participant ceases to be a director, officer, consultant or employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee for any reason other than death, such Participant may exercise its Option as it was entitled to exercise it at the date of such cessation, provided that such exercise must occur within ninety (90) days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within thirty (30) days after the cessation of the Participant's services to the Company;
- if a Participant dies, the Option previously granted to that Participant shall be exercisable only within one (1) year after such death and then only by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and if and to the extent that such Participant was entitled to exercise the Option at the date of their death; and
- as long as the Company is classified as a capital pool company ("**Capital Pool Company**") under the TSXV Manual, the terms and conditions of the Current Option Plan remain subject to certain restrictions.

The foregoing description of the material features of the Current Option Plan is qualified in its entirety by the full text of the Current Option Plan, a copy of which is attached to this Circular as Schedule C.

As of the Record Date, the Company had 1,275,000 Options outstanding under the Current Option Plan, all of which are held by NEOs or Directors of the Company. Under the policies of the TSXV, a rolling stock option plan must be re-approved by the Shareholders on a yearly basis.

Employment, Consulting and Management Agreements

The Company does not have any contracts, agreements, plans or arrangements that provide for payments to a Director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

Oversight and Description of Director and NEO Compensation

The compensation of the Company's NEOs is determined by the Board. As a Capital Pool Company, the Company is currently prohibited from paying Directors, Officers or other non-arm's length parties or to persons engaged in investor relations activities pursuant to Policy 2.4 until it has completed a qualifying transaction and a final bulletin has been issued by the TSXV. The Company is permitted to reimburse non-arm's length parties for rent, secretarial services and other general and administrative expenses at fair market value.

As a result, the Company does not have a formal compensation program and relies upon the grant of Options pursuant to the Current Option Plan to provide compensation to the NEOs and Directors. Option grants are designed to reward the NEOs for success on a similar basis as the Shareholders, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

When new Options are granted, the Board takes into account the previous grants of Options, the number of Options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the Officers, Directors and employees of the Company and to closely align the personal interest of such persons to the interest of the Shareholders. The exercise price of the Options granted is determined by the trading price of the Shares at the time of grant.

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

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the date hereof:

Equity Compensation Plan Information

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 securityholders ⁽¹⁾	1,275,000	\$0.36	675,000
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,275,000	\$0.36	675,000

Notes:

- (1) Represents the Current Option Plan, which reserves a number of Shares equal to 10% of the then outstanding Shares from time to time for issue pursuant to stock options. For further information on the Option, refer to the heading "Stock Option Plans and Other Incentive Plans".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "Informed Person" means:

- (a) a Director or Officer;
- (b) a director or executive officer of a person or company that is itself an Informed Person or a Subsidiary;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Other than as set forth in this Circular, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

MANAGEMENT CONTRACTS

The management functions of the Company are not, to any substantial degree, performed by persons other than the Directors and Officers.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

The audited financial statements of the Company for the financial year ended November 30, 2024 (the "**Financial Statements**") and the auditor's report thereon (the "**Auditor's Report**"), will be presented to Shareholders at the Meeting.

The Financial Statements, Auditor's Report, and management's discussion and analysis for the financial year ended November 30, 2024 are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Fixing the Number of Directors

The Board currently consists of five directors. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, an Ordinary Resolution to set the number of directors for the ensuing year at five. In addition, Shareholders will be asked to pass a separate Ordinary Resolution increasing the number of directors to seven, conditional upon and effective as of the completion of the Proposed Transaction.

In the absence of instructions to the contrary, the enclosed form of proxy will be voted FOR the resolution to set the number of directors of the Company at five immediately following the Meeting and FOR the resolution to set the number of directors of the Company at seven, conditional upon and effective as of the completion of the Proposed Transaction.

Election of Directors

The Board currently consists of Chris Taylor, Claudia Tornquist, Adam Schatzker, Jeff Sundar and Cameron White (the "**Incumbent Directors**"). The Board has nominated each of the Incumbent Directors for re-election at the Meeting. Pursuant to the Business Combination Agreement, upon closing of the Proposed Transaction: (a) Chris Taylor and Claudia Tornquist shall remain on the Board; (b) Adam Schatzker, Jeff Sundar and Cameron White (the "**Resigning Directors**") shall each resign as directors of the Resulting Issuer; and (c) each of Fausto Di Trapani, Greg McCunn, Eduardo Noriega, Nicolas Hochschild and Jill Gardiner (collectively, the "**New Directors**"), shall become directors of the Resulting Issuer, with Jill Gardiner serving as Chair of the Board. Accordingly, at the Meeting, Shareholders will be asked to: (a) elect each of the Incumbent Directors to serve as a director of the Company effective as of the date of the Meeting; and (b) to pass an ordinary resolution (the "**New Director Resolution**") appointing each of the New Directors as a director of the Company effective as of the closing of the Proposed Transaction and conditional upon the resignation of each of the Resigning Directors as directors of the Company. It is a condition to closing of the Proposed Transaction that the New Director Resolution will have been passed by the Shareholders and that the Resigning Directors will have resigned as directors of the Company. In the event that the Proposed Transaction is not completed, each of the Incumbent Directors elected at the Meeting will continue to hold office until the next annual general meeting of Shareholders or until their successor is duly elected or appointed, unless such office is earlier vacated in accordance with the Articles or such director becomes disqualified to act as a director pursuant to the BCBCA.

In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted FOR the election of each of the Incumbent Directors and FOR the New Director Resolution, conditional upon the completion of the Proposed Transaction. The Board unanimously recommends that Shareholders vote FOR the election of each of the Incumbent Directors and FOR the New Director Resolution.

Management does not contemplate that any proposed nominee will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of Management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in the election of directors.

Incumbent Directors

The following table sets out the names of the Incumbent Directors who are each nominated for election as directors, their jurisdiction of residence, the office(s) they hold within the Company, their principal occupations (and, if not previously elected as a director, their principal occupations during the last five years), the date since when they have been a director of the Company, and the number of Shares which each beneficially owns directly or indirectly or over which control or direction is exercised as of the date of this Circular:

Name, Province and Country of ordinary residence⁽¹⁾, and positions held with the Company⁽¹⁾	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years⁽¹⁾	Date(s) serving as a Director⁽²⁾	No. of Shares beneficially owned or controlled⁽¹⁾
Christopher Taylor British Columbia, Canada <i>Director, Chief Executive Officer, and President</i>	Mining Executive, current Chair of Kodiak Copper Corp. Former President and CEO of Great Bear Resources Corp.	November 3, 2023	2,600,000
Claudia Tornquist⁽³⁾⁽⁴⁾ British Columbia, Canada <i>Director and Chief Financial Officer</i>	President & CEO of Kodiak Copper Corp.	August 5, 2020	500,000
Cameron White British Columbia, Canada <i>Director and Corporate Secretary; Former CEO and President</i>	President of Crescent Park Capital Corp., Partner at Caliber Ventures.	June 22, 2020	350,000 ⁽⁵⁾
Jeff Sundar⁽³⁾ British Columbia, Canada <i>Director</i>	Corporate Finance and Marketing consultant, former Executive Director of Genesis Silver	March 4, 2024	250,000
Adam Schatzker⁽³⁾ British Columbia, Canada <i>Director</i>	Vice President Corporate Development of Canada Nickel Company Inc., former Managing Director, Mining Research at Research Capital Corp.	March 4, 2024	100,000

Notes:

- (1) This information, not being within the knowledge of the Company, has been furnished by the respective proposed nominees. Information provided as at the Record Date.
- (2) The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as they are elected annually by Shareholders at annual general meetings, unless their office is earlier vacated in accordance with the Articles of the Company.
- (3) Member of the audit committee of the Company (the "**Audit Committee**").
- (4) Chair of the Audit Committee.
- (5) 300,000 Shares are owned by Koele Capital Corporation, a private company controlled by Cameron White.

New Directors

The following table sets out the names of the New Directors, their proposed offices, their occupations and the number of Shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular:

Name, Province and Country of ordinary residence⁽¹⁾, and positions held with the Company⁽¹⁾	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years⁽¹⁾	Date(s) serving as a Director⁽²⁾	No. of Shares beneficially owned or controlled⁽¹⁾
Fausto Di Trapani British Columbia, Canada <i>Proposed Director and Chief Executive Officer</i>	Former Chief Financial Officer of MAG Silver Corp., former Chief Financial Officer of Galiano Gold Inc.	To serve as director upon completion of the Proposed Transaction	Nil
Jill Gardiner British Columbia, Canada <i>Proposed Director and Chair of the Board</i>	Chair of Capital Power Corporation, former Director of Compass Minerals International, Inc., former Chair/Director of Trevali Mining Corporation	To serve as director upon completion of the Proposed Transaction	Nil
Greg McCunn⁽³⁾ British Columbia, Canada <i>Proposed Director</i>	Chief Executive Officer of Great Pacific Gold, Chief Executive Officer of Tiernan, former Chief Executive Officer of Galiano Gold Inc.	To serve as director upon completion of the Proposed Transaction	Nil

Name, Province and Country of ordinary residence ⁽¹⁾ , and positions held with the Company ⁽¹⁾	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years ⁽¹⁾	Date(s) serving as a Director ⁽²⁾	No. of Shares beneficially owned or controlled ⁽¹⁾
Eduardo Noriega ⁽³⁾ Lima Province, Peru <i>Proposed Director</i>	Chief Financial Officer and former Head of Group Finance of Hochschild Mining plc	To serve as director upon completion of the Proposed Transaction	Nil
Nicolas Hochschild Lima Province, Peru <i>Proposed Director</i>	Vice President of Planning and Business Development and former Corporate Business Development Manager of Hochschild Mining plc, former Associate M&A and Senior Analyst M&A of Forum Brands	To serve as director upon completion of the Proposed Transaction	Nil

Notes:

- (1) This information, not being within the knowledge of the Company, has been furnished by the respective proposed nominees. Information provided as at the Record Date.
- (2) The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as they are elected annually by Shareholders at annual general meetings, unless their office is earlier vacated in accordance with the Articles of the Company.
- (3) Member of the Audit Committee.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Other than as set out below, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted

any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Cameron White is a former director of Gordon Creek Energy Inc. ("**Gordon Creek**"). On June 6, 2016 a cease trade order was issued against Gordon Creek by the British Columbia Securities Commission for failure to file annual audited financial statements and management's discussion and analysis for the year ended January 31, 2016. The cease trade order is still in effect.

Jill Gardiner is a former director of Trevali Mining Corporation ("**Trevali**"), having served between July 2019 and September 2022. On August 19, 2022, Trevali received an initial order for creditor protection from the British Columbia Supreme Court under the Companies' Creditors Arrangement Act ("**CCAA**") for an initial period of ten days. The Initial Order was subsequently extended to October 6, October 18, and finally December 16, 2022 to allow Trevali to restructure its business and financial affairs. On December 16, 2022, Trevali announced a winning bid under its sales and solicitation process and disclosed that the company would be seeking court approval of the proposed transaction. The transaction was approved by the Supreme Court of British Columbia on December 21, 2022 and was completed on June 27, 2023. On June 28, 2023 the court appointed monitor was granted enhanced powers in the CCAA proceedings with respect to Trevali's business and affairs.

Appointment and Remuneration of Auditor

MNP LLP ("**MNP**") is the Company's auditor and was first appointed as the Company's auditor on March 10, 2021. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution approving the re-appointment of MNP as auditor for the Company, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board.

Management recommends a vote FOR the re-appointment of MNP as the Company's auditor to hold office until the next annual general meeting of Shareholders at a remuneration to be fixed by the Board. In the absence of instructions to the contrary, the enclosed Proxy will be voted for such resolution.

Re-Approval of Current Option Plan

At the annual general and special meeting of Shareholders held on November 26, 2024, the Shareholders re-approved the Current Option Plan. The Current Option Plan reserves a rolling maximum of 10% of the number of Shares issued and outstanding on the applicable date of grant. As the Current Option Plan is a rolling plan, under Exchange policies, the Current Option Plan must be presented to Shareholders for approval by Ordinary Resolution at every annual general meeting of the Company to authorize continuation of the Current Option Plan. As at the date of this Circular, the Company had 19,500,000 Shares issued and outstanding so that a maximum of 1,950,000 Shares are available for issuance pursuant to Options granted under the Current Option Plan. As at the date of this Circular, there are 1,275,000 Options outstanding under the Current Option Plan, leaving 675,000 Shares available for the granting of further Options.

A summary of certain provisions of the Current Option Plan is set out under the heading "*Executive Compensation – Stock Option Plans and Other Incentive Plans*".

Current Option Plan Resolution

At the Meeting, Shareholders will be asked to consider and approve an Ordinary Resolution, in substantially the following form, in order to approve the Current Option Plan (the "**Current Option Plan Resolution**"), substantially in the following form:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. subject to final acceptance of the TSX Venture Exchange (the "**TSXV**"), the stock option plan ("**Current Option Plan**") of Railtown Capital Corp. (the "**Company**"), in substantially the form as attached as Schedule C to the management information circular of the Company dated October 16, 2025, be and is hereby re-approved, with such additional provisions and amendments as the directors of the Company may deem necessary or advisable, provided that such are not inconsistent with the policies of the TSXV;
2. the maximum number of common shares of the Company reserved for issuance under the Current Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company at any time;
3. the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant stock options (each, an "**Option**") pursuant to the Current Option Plan to those eligible to receive Options thereunder;
4. all unallocated Options, rights and entitlements under the Current Option Plan be and are hereby authorized and approved; and
5. any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director's or officer's opinion may be necessary to give effect to the matters contemplated by these resolutions."

Management recommends that Shareholders vote to approve the Current Option Plan Resolution. In the absence of instructions to the contrary, the Proxyholders intend to vote the Shares represented by each Proxy, properly executed, FOR the Current Option Plan Resolution.

Approval of New Omnibus Plan

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the adoption of the new Omnibus Equity Incentive Plan, which was adopted by the Board as of October 16, 2025 (the "**New Omnibus Plan**" or "**Omnibus Incentive Plan**"), to come into effect immediately upon completion of the Proposed Transaction and replace the Current Option Plan. The New Omnibus Plan will authorize the Board to issue, following completion of the Proposed Transaction, options, restricted share units, deferred share units, performance share units and stock appreciation rights of the Company.

Summary of New Omnibus Plan

The following summary is qualified in its entirety by the full text of the New Omnibus Plan, a copy of which is attached to this Circular as Schedule D. Unless otherwise specified, all capitalized terms used in the following summary have the same meanings as those given to such terms in the New Omnibus Plan.

Administration

The Omnibus Incentive Plan is administered by the Board, subject to the Board's power to delegate such administrative duties and powers as it may seem fit, from time to time. The Board, or any committee that receives delegated authority to administer the Omnibus Incentive Plan from the Board (a "**Committee**").

Where a Committee has been duly appointed by the Board, such Committee shall have the authority to: (a) grant to Participants (as defined below) certain registered retirement savings plan or registered retirement income fund, (b) exercise rights reserved for the Company, (c) determine the Award terms and conditions in accordance with the Omnibus Incentive Plan, (d) establish the form(s) of Award Agreements, (e) cancel, amend, adjust or otherwise change any Award, and (f) make all other determinations regarding whether performance goals have been achieved and take actions it considers necessary to implement and administer the Omnibus Incentive Plan.

Eligibility Under the Omnibus Incentive Plan

Pursuant to the Omnibus Incentive Plan, Awards may only be granted to:

- (a) a director of the Company;
- (b) an officer of the Company;
- (c) an employee of the Company;
- (d) a Management Company Employee (as defined in TSXV Policy 4.4); and
- (e) a Consultant (as defined in TSXV Policy 4.4);

all of the foregoing collectively referred to as "**Participants**". Subject to certain restrictions, the Company may also issue Awards to a registered retirement savings plan or registered retirement income fund established and controlled by a Participant or a company that is wholly owned by an individual Participant. A Participant will not be entitled to receive a grant of an Award after the date that the Participant ceases to be a Director, an Officer, an Employee, a Management Company Employee or a Consultant in each case for any reason.

Shares Issuable Under the Omnibus Incentive Plan

The Omnibus Incentive Plan provides that the maximum number of Shares that may be reserved and available for issuance under the Omnibus Incentive Plan and any other share compensation arrangements shall not exceed 10% of the issued and outstanding Shares calculated on the date of the Award grant. If any Award is exercised or settled, or any Award expires, is cancelled, terminated or forfeited without being fully exercised, the Awards that were not exercised will again become available to be granted under the Omnibus Incentive Plan.

Limits on Award Grants

The following limits apply to the operation of the Omnibus Incentive Plan:

- (a) unless the Company has obtained the requisite Disinterested Shareholder Approval,
 - (i) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in any 12-month period to any one person (and companies owned or controlled by that Person) must not exceed 5% of the total number of Common Shares issued and outstanding, calculated as at the date any Award is granted or issued to such person;
 - (ii) the maximum aggregate number of Common Shares which may be issued under share compensation arrangements of the Company granted or issued to Insiders as a group must not exceed 10% of the Common Shares issued and outstanding at any point in time; and

- (iii) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in any 12-month period to Insiders as a group must not exceed 10% of the Common Shares issued and outstanding, calculated on the date any Award is granted to an Insider;
- (b) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in a 12-month period to any one Consultant must not exceed 2% of the Common Shares issued and outstanding, calculated at the date any Award is granted to the Consultant; and
- (c) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in a 12-month period to all persons retained to provide Investor Relations Activities must not exceed 2% of the Common Shares issued and outstanding, calculated at the date any Award is granted to any such Person.

Types of Awards

Awards of options, restricted share units, performance share units, deferred share units and stock appreciation rights may be made under the Omnibus Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Committee, in its sole discretion. Awards are subject to limitations set out in the Omnibus Incentive Plan, and by the TSXV and will generally be evidenced by an Award Agreement.

Options

An option under the Omnibus Incentive Plan ("**OIP Option**") entitles a holder thereof to purchase a prescribed number of treasury Shares at an exercise price set at the time of the grant. The Committee will establish the exercise price, specified in the respective Award Agreement, for each grant of an OIP Option which shall not be less than the Discounted Market Price (as defined in TSXV Policy 1.1 – *Interpretation*). If the Company does not issue a news release to fix the Exercise Price pursuant to TSXV Policy 4.4, the Discounted Market Price is the last closing price before the date of the grant less the applicable discount. With respect to any OIP Option granted to a U.S. Participant, the Exercise Price shall not be less than the Fair Market Value of a Share on the date such OIP Option is granted.

Subject to any accelerated termination as set forth in the Omnibus Incentive Plan, each OIP Option expires on its respective expiry date. The Committee will have the authority to determine the vesting terms applicable to grants of OIP Options, subject to the restrictions in the Omnibus Incentive Plan relating to OIP Options granted to providers of Investor Relations Activities. Once an OIP Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the OIP Option in accordance with the Omnibus Incentive Plan. No OIP Option will be exercisable later than (i) 5:00 p.m. (Vancouver time) on the expiry date, or (ii) the tenth anniversary of the date of its grant, except where the expiry date of any OIP Option would occur in a Blackout Period, in which case the expiry date will be automatically extended to the tenth business day following the last day of the Blackout Period. No OIP Option shall expire in a period greater than one year following the date on which a Participant ceases to be an eligible Participant.

The Omnibus Incentive Plan allows OIP Option holders to elect to exercise vested OIP Options on a cashless basis, if, at the time, the Company has engaged a brokerage firm to facilitate cashless exercises. Cashless exercise is a process whereby the selected brokerage firm will loan money to the exercising OIP Option holder to exercise the applicable OIP Options and then sell a sufficient number of the Shares underlying the exercised OIP Options in order to repay the loan made to the exercising OIP Option holder.

Restricted Share Units

A restricted share unit under the Omnibus Incentive Plan ("**RSU**") is a unit equivalent in value to a Share which entitles the holder to receive cash, Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant RSUs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no RSUs may vest before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption. The vesting period must fall after the end of the Period of Restriction, but no later than the last day of the Restriction Period.

When and if RSUs become payable, the Company shall settle the RSUs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Any payment in settlement of RSUs shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Deferred Share Units

A deferred share unit under the Omnibus Incentive Plan ("**DSU**") is a unit equivalent in value to a Share which entitles the holder to receive cash, Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant DSUs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no RSUs may vest before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption.

The Board may, in its sole discretion, make adjustments to the calculation of any DSUs granted to Participants based on its assessment of the risk level, events that may impact the value of the DSUs or when calculations do not properly reflect all of the relevant considerations, provided further that, in respect of any DSUs subject to the ITA, no such adjustments shall entitle the Participant or a person with whom the employee does not deal at arm's length, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Fair Market Value of the Shares.

When and if RSUs become payable, the Company shall settle the RSUs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Unless specified otherwise in the Award Agreement, the settlement date of any DSU shall be no earlier than the date on which the Participant ceases to be an eligible Participant under the Omnibus Incentive Plan. In the case of a DSU that is subject to the ITA, all vested DSUs shall be settled no later than the last day of the calendar year following the Participant's Termination Date. Any payment in settlement of DSUs shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Performance Share Units

A performance share unit under the Omnibus Incentive Plan ("**PSU**") is a unit equivalent in value to a Share which entitles the holder to receive cash, Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant PSUs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no PSUs may vest before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption. The vesting

period must fall after the end of the Restriction Period, but no later than the last day of the Restriction Period.

The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Committee. The Committee may modify the Performance Goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Based on the Omnibus Incentive Plan and applicable Award Agreements, after certain Performance Periods have ended, the holder of PSUs shall be entitled to receive payout on the value and number of PSUs, determined as a function of the extent to which the corresponding Performance Goals have been achieved. When and if PSUs become payable, the Company shall settle the PSUs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Any payment in settlement of PSUs shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Stock Appreciation Rights

Each stock appreciation right grant under the Omnibus Incentive Plan ("**SAR**") shall be evidenced by an Award Agreement that shall specify the number of SARs granted, the grant price of the SARs which shall not be less than the Market Price, the settlement date for the SARs, and any other provisions as the Committee shall determine, including certain requirements. The Committee may, at any time and from time to time, subject to the provisions of the Omnibus Incentive Plan, grant SARs to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided no SARs may vest or become freely traded before the date that is one year following the date of grant or issue, and provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption.

When and if SARs become payable, the Company shall settle the SARs within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Shares of equivalent value (based on the FMV as of the settlement date), or some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Any payment in settlement of SARs shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Dividend Equivalents

At the discretion of the Committee, awards of RSUs, DSUs and PSUs may be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents subject to the Omnibus Incentive Plan and at the discretion of the Committee. The Committee may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares, RSUs, DSUs, or PSUs provided that any Dividend Equivalents paid in the form of additional Awards or Shares shall reduce the applicable pool of Shares available for issuance under all share compensation arrangements of the Company. Any additional RSUs, DSUs and PSUs credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Omnibus Incentive Plan in the same manner as the RSUs, DSUs or PSUs to which they relate.

Blackout Periods

If an expiry date, redemption date or settlement date of any Award occurs during a blackout period formally imposed by the Company, then, notwithstanding any other provision of the Omnibus Incentive Plan, such expiration date, redemption date or settlement date shall be extended to the tenth business day following the last day of the blackout period. The Omnibus Incentive Plan contains certain requirements applicable to eligible blackout periods including that the automatic extension of an Award will not be permitted where the Participant or the Company is subject to a cease trade order (or similar order under Canadian securities laws) in respect of the Company's securities.

Transferability

Awards granted under the Omnibus Incentive Plan are non-transferable and non-assignable, except as specifically provided under the Omnibus Incentive Plan in the event of the death or disability of a Participant, to a Participant's RRSP or RRIF if the Participant is the sole beneficiary of the RRSP or RRIF, or to wholly-owned or controlled entities of an individual Participant.

Effect of Death, Incapacity or Disability of Participant

If a Participant dies or becomes Incapacitated during the term of any Award, or suffers a Disability while a Participant and, as a result, his or her employment, term of office or engagement with the Company is terminated:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) any Awards held by the Participant that are subject to a Performance Goal shall be deemed to have been satisfied upon completion of the Performance Period;
- (c) the executor, liquidator or administrator of the Participant's estate may exercise OIP Options or other exercisable Awards of the Participant that become exercisable prior to the termination of such Awards;
- (d) any RSUs, DSUs, PSUs or SARs held by the Participant that have vested or vest prior to their termination and do not otherwise have exercise requirements, shall be paid to the Participant, executor, liquidator or administrator of the Participant's estate;
- (e) the right to exercise or be paid for an Award terminates on the earlier of: (i) the date that is 12 months after the Termination Date; (ii) the date on which the particular Award expires or terminates; and (iii) with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, the last day of the same calendar year as the Participant's Separation from Service; and
- (f) such Participant's eligibility to receive further grants of Awards under the Omnibus Incentive Plan ceases as of the Termination Date.

Retirement

If a Participant voluntarily Retires then:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate may exercise OIP Options or other exercisable Awards of the Participant that become exercisable prior to the termination of such Awards;

- (c) any RSUs, DSUs, PSUs or SARs held by the Participant that have vested or vest, and do not otherwise have exercise requirements, shall be paid to the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate;
- (d) the right to exercise or be paid for an Award terminates on the earlier of: (i) the date that is 12 months after the Termination Date; (ii) the date on which the particular Award expires or terminates; and (iii) with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, to the extent necessary to comply with section 409A of the Code, the last day of the same calendar year as the Participant's Separation from Service; and
- (e) such Participant's eligibility to receive further grants of Awards under the Omnibus Incentive Plan ceases as of the Termination Date.

Termination of Awards

Except as explicitly provided otherwise in a Participant's employment agreement and subject to the discretion of the Board to determine otherwise:

- (a) if a Participant's employment, term of office or engagement terminates for just Cause:
 - (i) any vested but unexercised OIP Options or other exercisable Awards held by the Participant at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date for no Consideration;
 - (ii) any other Awards held by the Participant that are not yet vested or payable by the Company at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date for no Consideration;
 - (iii) any remaining Awards held by the Participant that have vested and become payable by the Company before the Termination Date shall be paid to the Participant; and
 - (iv) the eligibility of a Participant to receive further grants under the Omnibus Incentive Plan ceases as of the date that the Company or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated for Cause,
- (b) where a Participant's employment or term of office or engagement terminates for any reason other than for Cause, death, incapacity or disability, or retirement:
 - (i) any vested but unexercised OIP Options or other exercisable Awards held by the Participant at the Termination Date will continue to be exercisable by the Participant until the earlier of: (A) the date that is 90 days after the Termination Date; (B) the date on which the exercise period of the particular OIP Option expires; and (C) with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, the last day of the same calendar year as the Participant's Separation from Service,
 - (ii) any other Awards held by the Participant that have vested or vest prior to their termination, and become payable by the Company before the Termination Date, shall be paid to the Participant;
 - (iii) any other Awards held by the Participant that are not yet vested or payable by the Company at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date for no consideration; and

- (iv) the eligibility of a Participant to receive further grants under the Omnibus Incentive Plan ceases as of the Termination Date,

provided that, in any case where the Board determines otherwise or as otherwise agreed in any contract with any Participant which has been approved by the Board, the exercise or settlement period of an Award held by a Person who ceases to be a Participant shall not be longer than 12 months following the Termination Date.

Adjustment

The Omnibus Incentive Plan contains provisions for the adjustment or substitution in the number and kind of Shares subject to the Omnibus Incentive Plan and issuable upon the exercise of Awards, and the other applicable terms and conditions thereof in the event of any merger, arrangement or amalgamation that does not constitute a Change of Control, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction which the Board determines affects the Shares such that an adjustment is equitably necessary and appropriate to prevent dilution or enlargement of Participants' rights under the Omnibus Incentive Plan.

In the event of a Change of Control transaction, the Board shall have the discretion to:

- (a) amend, abridge or eliminate any vesting terms of an Award so that it may be exercised or settled in whole or in part, conditionally or otherwise, by the Participant prior to the completion of the Change of Control transaction and, if determined appropriate by the Board, any such Award not exercised or otherwise settled at the effective time or record date (as applicable) of such Change of Control will be deemed to have expired; or
- (b) unilaterally determine that all outstanding Awards shall be cancelled upon a Change of Control, and that the value of such Awards, as determined by the Board, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, all subject to the approval of the TSXV.

Notwithstanding the foregoing, if the Board determines in good faith prior to the Change of Control that the Awards will be honoured or assumed following a Change of Control, or new rights substituted therefor that are substantially equivalent, and provided that the successor entity agrees to assume the obligation to provide Alternative Awards (subject to certain conditions as outlined in the Omnibus Incentive Plan), then no cancellation, acceleration of vesting, lapsing of restrictions or payments of an Award shall occur.

Tax Withholding

It is the responsibility of the Participant to ensure that they adhere to tax legislation in their jurisdiction, social security contributions and other liabilities arising out of or in connection with any Award or the acquisition, the exercise or settlement of an Award. Pursuant to the Omnibus Incentive Plan, the Company may implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Termination of, and Amendments to, the Omnibus Incentive Plan

The Board may, from time to time:

- (a) subject to any applicable rules of the TSXV and without Shareholder approval, suspend or terminate the Omnibus Incentive Plan, or amend the Omnibus Incentive Plan to:

- (i) amend the vesting provisions of the Omnibus Incentive Plan, any OIP Option or any Award;
 - (ii) amend the Omnibus Incentive Plan, an OIP Option or Award as necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body having authority over the Company, the Omnibus Incentive Plan or the shareholders;
 - (iii) fix typographical errors or clarify the existing provisions of the Omnibus Incentive Plan that do not substantively alter the scope, nature and intent of the provisions;
 - (iv) amend the administration of the Omnibus Incentive Plan; and
 - (v) make any other amendment that does not require the approval of Shareholders,
- (b) subject to any applicable rules of the TSXV, Shareholder approval is required for any of the following amendments to the Omnibus Incentive Plan or any Awards, among others listed in the Omnibus Incentive Plan, and with respect to those amendments listed in (i) – (vi), Disinterested Shareholder Approval is required:
- (i) any individual Award grant or amendment to the Omnibus Incentive Plan that would result in or permit the maximum aggregate number of Shares which may be issued under Awards granted or issued to Insiders (as a group) to exceed ten percent 10% of the issued Shares at any point in time;
 - (ii) any individual Award grant or amendment to the Omnibus Incentive Plan that would result in or permit the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Shares exceeding ten percent (10%) of the issued Shares, calculated on the date the Award is granted to any Insider;
 - (iii) any individual Award grant or amendment to the Omnibus Incentive Plan that would result in or permit the number of Shares issued to any individual in any twelve (12) month period under the Omnibus Incentive Plan to exceeding five percent (5%) of the issued Shares of the Company;
 - (iv) any reduction in the exercise price of an OIP Option or SAR, or the extension of the term of an OIP Option, if the Participant is an Insider of the Company at the time of the proposed amendment;
 - (v) any amendment to an Award that results in a benefit to an Insider, and for further clarity, if the Company cancels any Award and within one year grants or issues a new Award to the same person, that is considered an amendment;
 - (vi) any individual Award grant that would result in the Total Share Authorization being exceeded;
 - (vii) any change that would materially modify the eligibility requirements for participation in the Omnibus Incentive Plan;
 - (viii) an increase to the Total Share Authorization; and
 - (ix) any amendment that would extend the maximum permissible term of any Award.

Other than as expressly provided in an Award Agreement or as set out in the Omnibus Incentive Plan with respect to a Change of Control, the Committee shall not alter or impair any rights or increase any obligations

with respect to an Award previously granted under the Omnibus Incentive Plan without the consent of the Participant.

New Omnibus Plan Resolution

At the Meeting, Shareholders will be asked to consider and approve an Ordinary Resolution, in substantially the following form, in order to approve the New Omnibus Plan (the "**New Omnibus Plan Resolution**"), substantially in the following form:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. subject to final acceptance of the TSX Venture Exchange (the "**TSXV**") and conditional upon and effective as of the completion of the Proposed Transaction (as defined in the Circular (as defined below)), the adoption of the omnibus equity incentive plan (the "**New Omnibus Plan**"), in substantially the form as attached as Schedule D to the management information circular of Railtown Capital Corp. (the "**Company**") dated October 16, 2025 (the "**Circular**"), be and is hereby approved, ratified and confirmed, with such additional provisions and amendments as the directors of the Company may deem necessary or advisable, provided that such are not inconsistent with the policies of the TSXV;
2. the maximum number of common shares of the Company reserved for issuance under the New Omnibus Plan shall not exceed 10% of the issued and outstanding common shares of the Company at any time;
3. the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant options, restricted share units, deferred share units, performance share units and stock appreciation rights pursuant to the New Omnibus Plan (collectively, "**Awards**") to eligible participants thereunder;
4. all unallocated Awards, rights and entitlements under the New Omnibus Plan be and are hereby authorized and approved; and
5. any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director's or officer's opinion may be necessary to give effect to the matters contemplated by these resolutions."

Management recommends that Shareholders vote to approve the New Omnibus Plan Resolution. In the absence of instructions to the contrary, the Proxyholders intend to vote the Shares represented by each Proxy, properly executed, FOR the New Omnibus Plan Resolution.

OTHER MATTERS

As of the date of this Circular, Management knows of no other matters to be acted upon at the Meeting. Should any other matters properly come before the Meeting, the Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Shares represented by the proxy.

AUDIT COMMITTEE DISCLOSURE

The charter of the Audit Committee and other information required to be disclosed by National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") is attached to this Circular as Schedule A.

CORPORATE GOVERNANCE DISCLOSURE

The information required to be disclosed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached to this Circular as Schedule B.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at 666 Burrard Street, Suite 2500, Vancouver, BC V6C 2X8.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Directors.

DATED at Vancouver, British Columbia, this 16th day of October, 2025.

By order of the Board of Directors

RAILTOWN CAPITAL CORP.

/s/ "Christopher Taylor"

Christopher Taylor
Director, CEO and President

SCHEDULE A
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE
(VENTURE ISSUERS)

Item 1: The Audit Committee Charter

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of the Company. The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

Duties and Responsibilities

External Auditor

To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.

- (a) To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (b) To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- (c) To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- (d) To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- (e) To 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. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:

- (f) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (i) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (ii) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
 - (iii) The Chief Financial Officer ("**CFO**") must approve all office hires from the external auditor; and
 - (iv) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- (g) To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

- (a) To review the Company's annual audited financial statements with the Chief Executive Officer ("**CEO**") and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.
- (b) To review and discuss with management and the external auditor, as appropriate:
 - (i) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
 - (ii) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- (c) To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- (d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

- (a) To review the internal audit staff functions, including:
 - (i) The purpose, authority and organizational reporting lines;
 - (ii) The annual audit plan, budget and staffing; and
 - (iii) The appointment and compensation of the controller, if any.

- (b) To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- (c) To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- (d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- (e) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

Membership

- (a) The Committee shall consist solely of three or more members of the Board, the majority of which the Board has determined has no material relationship with the Company and is otherwise "unrelated" or "independent" as required under applicable securities rules or applicable stock exchange rules.
- (b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (d) All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

Procedures

- (a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "**Chair**"). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (b) The Chair will appoint a secretary (the "**Secretary**") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum and provided that a majority of the members must be "independent" or "unrelated".
- (d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.

- (e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- (f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
- (g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- (h) The Committee has the authority to communicate directly with the internal and external auditors.

Reports

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

Item 2: Composition of the Audit Committee

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the Audit Committee and their education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

The current members of the Audit Committee are Claudia Tornquist, Jeff Sundar and Adam Schatzker, all of whom are financially literate as defined by NI 52-110, with Jeff Sundar and Adam Schatzker acting as independent directors.

Item 3: Relevant Education and Experience

NI 52-110 provides that an individual is "**financially literate**" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

All current and proposed members of the Audit Committee have received relevant education in financial literacy and have been involved in enterprises which publicly report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

Further, each member has the requisite education and experience that has provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare the Company's financial statements;
- (b) the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Item 4: Audit Committee Oversight

At no time since incorporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Item 5: Reliance on Certain Exemptions

Since incorporation, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (*De Minimus Non-audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), and any exemption, in whole or in part, in Part 8 (*Exemptions*).

Item 6: Pre-Approval Policies and Procedures

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

Item 7: External Auditor Service Fees (By Category)

The following table sets out the aggregate fees charged to the Company by the external auditor in each of the two previous financial years of the Company for the category of fees described.

	Financial year ended November 30, 2024	Financial year ended November 30, 2023
Audit Fees ⁽¹⁾	\$15,000	\$14,000
Audit-Related Fees ⁽²⁾	\$Nil	\$Nil
Tax Fees ⁽³⁾	\$Nil	\$Nil
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total Fees:	\$15,000	\$14,000

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor since incorporation of the Company.
- (2) "Audited related fees" include the aggregate fees billed since incorporation of the Company for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed since incorporation of the Company for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed since incorporation of the Company for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Item 8: Exemption

The Company is relying upon the exemption set out in section 6.1 NI 52-110.

SCHEDULE B
FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE
(VENTURE ISSUERS)

Item 1: Board Of Directors

The Board supervises the CEO and the CFO. The CEO and CFO are required to act in accordance with the scope of authority provided to them by the Board.

The Company has determined that out of the existing five members of the Board, two of the members are independent as defined by NI 52-110.

Director	Independence
Christopher Taylor	Not independent, as he is the CEO and President of the Company
Claudia Tornquist	Not independent, as she is the CFO of the Company
Cameron White	Not independent, as he is the Corporate Secretary of the Company
Jeff Sundar	Independent
Adam Schatzker	Independent

Item 2: Directorships

The following Directors of the Company are currently directors of the following other reporting issuers:

Director	Name of Reporting Issuer
Claudia Tornquist	Kodiak Copper Corp. Silver One Resources Inc. American Lithium Corp.
Cameron White	Railtown II Capital Corp.
Christopher Taylor	Kodiak Copper Corp. Founders Metals Inc. Auranova Resources Inc. (<i>Private company reporting issuer</i>)

Item 3: Orientation and Continuing Education

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

Item 4: Ethical Business Conduct

The Board has not adopted a formal code of ethics. In the Board's view, the fiduciary duties placed on individual directors by corporate legislation and the common law, and the restrictions placed by corporate

legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company's professional advisors with respect to any issues related to ethical business conduct.

Item 5: Nomination of Directors

The identification of potential candidates for nomination as directors of the Company is primarily done by the CEO, but all directors are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

Item 6: Compensation

The quantity and quality of the Board compensation is reviewed on an annual basis. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee. As a Capital Pool Company, the Company is currently prohibited from paying directors, officers or other non-arm's length parties or to persons engaged in investor relations activities pursuant to Policy 2.4 until it has completed a qualifying transaction and a final bulletin has been issued by the TSXV.

Item 7: Other Board Committees

The Board does not have any standing committees other than the Audit Committee.

Item 8: Assessments

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.

SCHEDULE C

OPTION PLAN
(attached)

RAILTOWN CAPITAL CORP.

STOCK OPTION PLAN

1. PURPOSE

The purpose of the Stock Option Plan (the "**Plan**") of Railtown Capital Corp., a corporation incorporated under the *Business Corporations Act* (British Columbia) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of this Plan, the Board shall have authority to construe and interpret this Plan and all option agreements entered into thereunder, to define the terms used in this Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to this Plan and to make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in this Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

The Board shall ensure that Participants (defined below) under this Plan are eligible to participate under this Plan, and, if required by the Exchange (defined below), shall represent and confirm that the Participant is a bona fide employee, consultant or Management Company Employee (as defined below) and such Participant shall represent that he or she is a bona fide employee, consultant or Management Company Employee.

3. STOCK EXCHANGE RULES

All options granted pursuant to this Plan shall be subject to the rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the "**Exchange**").

Without limiting the generality of the foregoing, during such period as the Shares are listed for trading on the Exchange:

- (a) the Exchange Hold Period (as defined Policy 1.1 of the TSX Venture Exchange Corporate Finance Policies ("**Policy 1.1**")) will apply to all options granted to Insiders (as defined in Policy 1.1) of the Corporation and to all options granted at a discount to the Market Price (as defined in Policy 1.1); and

- (b) any acceleration or removal of required Exchange vesting provisions are subject to the prior written approval of the Exchange.

4. **SHARES SUBJECT TO PLAN**

Subject to adjustment as provided in Section 17 hereof, the Shares to be offered under this Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under this Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of this Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. **MAINTENANCE OF SUFFICIENT CAPITAL**

The Corporation shall at all times during the term of this Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of this Plan.

6. **ELIGIBILITY AND PARTICIPATION**

Directors, officers, consultants, Technical Consultants and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries and which are required for the ongoing successful operation of the Corporation ("**Management Company Employees**"), and Eligible Charitable Organizations (as defined in Policy 4.4 of the TSX Venture Exchange Corporate Finance Policies ("**Policy 4.4**")) shall be eligible for selection to participate in this Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by this Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees, consultants of the Corporation, Management Company Employees or Eligible Charitable Organizations, the option agreements to which they are party must contain a representation of the Corporation and the Participant that such employee, consultant, Management Company Employee or Eligible Charitable Organization, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. **EXERCISE PRICE**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Shares commenced trading or the date the exercise price was reduced. In the case of options held by Insiders of the Corporation, the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. NUMBER OF OPTIONED SHARES

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to any single Participant, in any twelve-month period, when combined with all Shares issuable to such Participant pursuant to all other Security Based Compensation Plans (as defined in Policy 4.4) of the Corporation, shall not exceed 5% of the issued common shares of the Corporation (calculated as at the date of such grant), unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to any single consultant of the Corporation (or any of its subsidiaries), in any twelve-month period, when combined with all Shares issuable to such consultant pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 2% of the issued common shares of the Corporation (calculated as at the date of such grant).
- (d) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to all Participants performing investor relations activities, in any twelve-month period, when combined with all Shares issuable to such Participants performing investor relations activities pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 2% of the issued common shares of the Corporation (calculated as at the date of such grant). Options granted to Participants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3-month period after such options were granted.
- (e) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to an Eligible Charitable Organization, in any twelve-month period, when combined with all Shares issuable to such Eligible Charitable Organization pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 1% of the issued common shares of the Corporation (calculated as at the date of such grant), and any such options must expire after the earlier of: (i) ten years from the date of grant; and (ii) 90 days after the optionee ceases to be an Eligible Charitable Organization.
- (f) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to Insiders of the Corporation (as a group), when combined with all Shares issuable to Insiders pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 10% of the issued common shares of the Corporation at any point in time, unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (g) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to Insiders of the Corporation (as a group), in any twelve-month period, when combined with all Shares issuable to such Participant pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 10% of the issued common shares of the Corporation (calculated as at the date of such grant), unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

9. **DURATION OF OPTION**

- (a) Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange, being ten years for the TSX Venture Exchange.
- (b) Subject to compliance with Policy 4.4, the expiry date of an option granted hereunder will be automatically extended if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options. Such automatic extension shall in no event exceed ten business days following the end of such blackout period.
- (c) In the case of Options held by Insiders of the Corporation, the term of an option may be extended only if disinterested shareholder approval is first obtained.

10. **OPTION PERIOD, CONSIDERATION AND PAYMENT**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque, bank draft or electronic funds transfer for the full purchase price of such Shares with respect to which the option is exercised. No Participant or its legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under this Plan are issued to it or them under the terms of this Plan.

11. **CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE**

- (a) If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise its option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in

investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

- (b) Nothing contained in this Plan, nor in any option granted pursuant to this Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. DEATH OF PARTICIPANT

Notwithstanding Section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. CAPITAL POOL COMPANY RESTRICTIONS

As long as the Corporation is classified as a "Capital Pool Company" or a "CPC" (as defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Policies ("**Policy 2.4**")), the terms and conditions of this Plan will remain subject to the following specific restrictions:

- (a) Options granted by the CPC may only entitle the Participant to acquire Shares of the CPC. Options may only be granted to a director or senior officer of the CPC, and where permitted by applicable securities legislation, a Technical Consultant whose particular industry expertise in relation to the business of the Vendors (as defined in Policy 2.4) or the Target Company (as defined in Policy 2.4), as the case may be, is required to evaluate the proposed Qualifying Transaction (a "**Technical Consultant**"), or a company, all of whose securities are owned, directly and indirectly, by such a director, senior officer, Technical Consultant or to an Eligible Charitable Organization. The total number of Shares reserved under option for issuance under this Section may not exceed 10% of the Shares of the CPC outstanding as at the date of grant of any Options.
- (b) The number of Shares reserved for issuance pursuant to Options to any individual director or senior officer may not exceed 5% of the Shares outstanding at the time of issuance. The number of Shares reserved for issuance pursuant to Options to all Technical Consultants may not exceed 2% of the Shares outstanding at the time of issuance. The number of Shares reserved under option for issuance to all Eligible Charitable Organizations may not exceed 1% of the Shares of the CPC outstanding as at the date of grant of any Option. Options granted by a CPC are subject to the percentage limitations set forth in Policy 4.4 of the Exchange.
- (c) The CPC is prohibited from granting Options to any person providing Investor Relations Activities (as defined in Policy 1.1), promotional or market-making services.
- (d) The exercise price per Share under any Option granted by a CPC prior to its IPO (as defined in Policy 1.1) cannot be less than the lowest price at which Seed Shares (as defined in Policy 2.4) were issued by the CPC.
- (e) All Options granted by the CPC must be granted in compliance with Policy 4.4 and Policy 2.4.

- (f) The term of an Option must expire not later than 12 months after the optionee ceases to be a director, senior officer or Technical Consultant of the CPC, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such Option.
- (g) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Corporation's Qualifying Transaction (as such terms are defined in Policy 2.4), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.

14. **ESCROW**

- (a) All Options issued, and any Shares acquired on exercise of Options, prior to the completion of the Qualifying Transaction must be deposited in escrow under the CPC Escrow Agreement (as defined in Policy 2.4) and will be subject to escrow until the Final QT Exchange Bulletin (as defined in Policy 2.4) is issued, subject to Section 14(b).
- (b) All Options granted prior to the date of the Final QT Exchange Bulletin and any Shares acquired on exercise of Options that were issued prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than Options that were granted prior to the Corporation's IPO with an exercise price that is less than the issue price of the IPO Shares and any Shares that were issued pursuant to the exercise of such Options will be released from escrow in accordance with the schedule set out in Policy 2.4 and the CPC Escrow Agreement.

15. **RIGHTS OF OPTIONEE**

No person entitled to exercise any option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

16. **PROCEEDS FROM SALE OF SHARES**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

17. **ADJUSTMENTS**

If the outstanding common shares of the Corporation are subdivided, consolidated, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, amalgamation, arrangement, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under this Plan on any such adjustment. Adjustments under this Section, other than in connection with a subdivision or consolidation, are subject to prior approval of the Exchange.

18. **TRANSFERABILITY**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

19. **AMENDMENT AND TERMINATION OF PLAN**

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend this Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate this Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

20. **NECESSARY APPROVALS**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or Exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

21. **WITHHOLDING TAXES**

The Corporation's obligation to deliver Shares issuable on the exercise of an option shall be subject to a Participant's satisfaction of all applicable income, employment and non-resident withholding tax obligations. Without limiting the generality of the foregoing, if the Corporation determines in its sole discretion that under the requirements of applicable taxation laws or regulations of any governmental authority whatsoever it is obliged to withhold for remittance to a taxing authority any amount upon exercise of an option, the Corporation may take any steps it considers necessary or appropriate in the circumstances to withhold in connection with any option or other benefit under this Plan including, without limiting the generality of the foregoing:

- (a) requiring the Participant exercising the option to pay the Corporation, in the same manner as the exercise price for the Shares issuable on exercise of an option, such amount as the Corporation is obliged to remit to such taxing authority in respect of the exercise of the option, with any such additional payment, in any event, being due no later than the date as of which any amount with respect to the option exercised first becomes included in the gross income of the Participant for tax purposes; or
- (b) issuing the Shares issuable on the exercise of an option to an agent on behalf of the Participant and directing the agent to sell a sufficient number of such Shares on behalf of the Participant to satisfy the amount of any such withholding obligation, with the agent paying the proceeds of any such sale to the Corporation for this purpose;

to the extent permitted by law, deducting the amount of any such withholding obligation from any payment of any kind otherwise due to the Participant.

22. **EFFECTIVE DATE OF PLAN**

The Plan was approved by the Board on May 30, 2023 and became effective upon the approval of the Plan by the shareholders of the Company on June 28, 2023.

23. **INTERPRETATION**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

SCHEDULE D

NEW OMNIBUS PLAN
(attached)

RAILTOWN CAPITAL CORP.
OMNIBUS EQUITY INCENTIVE PLAN
Adopted October 16, 2025

Article 1 ESTABLISHMENT AND PURPOSE

Section 1.1 Establishment of the Plan.

The Company hereby establishes this Omnibus Equity Incentive Plan to be known as the 2025 Omnibus Equity Incentive Plan. This Plan was adopted and became effective on October 16, 2025. The Plan shall in respect of Options (as defined below) serve as the successor to the Company's current Stock Option Plan which was first approved by the shareholders of the Company on May 20, 2022 (the "**Predecessor Plan**"), and no further awards shall be made under the Predecessor Plan from and after the Effective Date of this Plan. Each Option granted under the Predecessor Plan shall continue to be governed by the terms and conditions of such plan and the instrument evidencing such grant.

Section 1.2 Purpose

The purpose of this Plan is to provide the Company, and each subsidiary of the Company, with a share-related mechanism to encourage, attract, retain and motivate qualified Directors, Officers, Employees and Consultants of the Company and its subsidiaries, to reward such of those Directors, Officers, Employees and Consultants as may be granted Awards under this Plan by the Committee from time to time for their contributions toward the long term goals and success of the Company and to enable and encourage such Directors, Officers, Employees and Consultants to acquire Common Shares as long term investments and proprietary interests in the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSXV Policies (as defined below) and any inconsistencies between this Plan and TSXV Policies will be resolved in favour of the latter.

Article 2 DEFINITIONS

Section 2.1 Definition

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the meanings set forth below:

- (a) "**Affiliate**" has the meaning given to such term in TSXV Policy 1.1 of the policy manual of the TSXV.
- (b) "**Award**" means, individually or collectively, a grant under this Plan of Options, Restricted Share Units, Deferred Share Units, Performance Share Units or Stock Appreciation Rights, in each case subject to the terms of this Plan.
- (c) "**Award Agreement**" means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant, describing the terms and provisions of such Award and need not be identical to other Award Agreements either in form or substance.
- (d) "**BCSA**" means the Securities Act (British Columbia), as may be amended from time to time.
- (e) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company in accordance with the requirements of TSXV Policy 4.4.
- (f) "**Board**" or "**Board of Directors**" means the Board of Directors of the Company.
- (g) "**Cashless Exercise**" means the exercise of an Option whereby the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase the Common Shares underlying the Options to be exercised and the brokerage firm then

sells a sufficient number of Common Shares to cover the exercise price of the Options in order to repay the loan made to the Participant resulting in the Participant receiving the net balance of the Common Shares underlying the exercised Options or the net cash proceeds from the exercise of the Options.

- (h) **"Cause"** means:
- (i) Cause as such term is defined in the written employment agreement between the Company and the Officer or Employee; or
 - (ii) in the event there is no written employment agreement between the Company and the Officer or Employee or Cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Officer or Employee is employed provided, however, if an employee Participant's employment is governed by the Province of Ontario, then Cause, means the employee Participant's wilful misconduct, disobedience or wilful neglect of duty by that is not trivial and has not been condoned by the Company or any of its Affiliates, provided, further, that if the Participant is a U.S. Participant, then Cause shall be defined in the applicable Award Agreement, or in the absence of any definition of Cause contained therein, means (A) the Participant's indictment for, conviction of or plea of *nolo contendere* to, a felony (other than in connection with a traffic violation) under any state or federal law, (B) the Participant's failure to substantially perform his or her essential job functions after receipt of written notice from the Company requesting such performance, (C) an act of fraud or gross misconduct with respect, in each case, to the Company, by the Participant, (D) any material misconduct by the Participant that could be reasonably expected to damage the reputation or business of the Company or any of its Affiliates, or (E) the Participant's violation of a material policy of the Company. Any determination of whether Cause exists shall be made by the Committee in its sole discretion.
- (i) **"Change of Control"** shall occur if any of the following events occur:
- (i) the acquisition or potential acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership or control or direction over that number of Voting Securities which is greater than 50% of the total issued and outstanding Voting Securities immediately after such acquisition, unless such acquisition arose as a result of or pursuant to:
 - (A) an acquisition or redemption by the Company of Voting Securities which, by reducing the number of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by such person to 50% or more of the Voting Securities then outstanding;
 - (B) acquisitions of Voting Securities which were made pursuant to a dividend reinvestment plan of the Company;
 - (C) the receipt or exercise of rights issued by the Company to all the holders of Voting Securities to subscribe for or purchase Voting Securities or securities convertible into Voting Securities, provided that such rights are acquired directly from the Company and not from any other person;
 - (D) a distribution by the Company of Voting Securities or securities convertible into Voting Securities for cash consideration made pursuant to a public offering or by way of a private placement by the Company ("**Exempt Acquisitions**");

- (E) a stock-dividend, a stock split or other event pursuant to which such person receives or acquires Voting Securities or securities convertible into Voting Securities on the same pro rata basis as all other holders of securities of the same class ("**Pro-Rata Acquisitions**");
- (F) the exercise of securities convertible into Voting Securities received by such person pursuant to an Exempt Acquisition or a Pro-Rata Acquisition ("**Convertible Security Acquisitions**"); or
- (G) a sale by the Company of greater than 50% of the fair market value of the assets of the Company, through one or a series of transactions, to an entity that is controlled by either the shareholders of the Company or by the Company.

provided, however, that if a person shall acquire 50% or more of the total issued and outstanding Voting Securities by reason of any one or a combination of (1) acquisitions or redemptions of Voting Shares by the Company, (2) Exempt Acquisitions, (3) Pro-Rata Acquisitions, or (4) Convertible Security Acquisitions and, after such share acquisitions or redemptions by the Company or Exempt Acquisitions or Pro-Rata Acquisitions or Convertible Security Acquisitions, acquires additional Voting Securities exceeding one per cent of the Voting Securities outstanding at the date of such acquisition other than pursuant to any one or a combination of Exempt Acquisitions, Convertible Security Acquisitions or Pro-Rata Acquisitions, then as of the date of such acquisitions such acquisition shall be deemed to be a "**Change of Control**";

- (ii) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent Directors, unless such election or appointment is approved by 50% or more of the Directors in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened; and
- (iii) any transaction or series of transactions, whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or substantially all of the shares or assets of the Company become the property of any other person (the "**Successor Entity**") (other than a subsidiary of the Company) unless:
 - (A) individuals who were holders of Voting Securities immediately prior to such transaction hold, as a result of such transaction, in the aggregate, more than 50% of the voting securities of the Successor Entity;
 - (B) a majority of the Directors of the Successor Entity is comprised of individuals who were members of the Board immediately prior to such transaction; and
 - (C) after such transaction, no person or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity unless such person or group of persons held securities of the Company in the same proportion prior to such transaction.

Notwithstanding the foregoing, for purposes of any Award that constitutes "deferred compensation" (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Participant unless the transaction qualifies as "a change in control event" within the meaning of Section 409A of the Code.

- (j) **"Change of Control Price"** means (i) the highest price per Common Share offered in conjunction with any transaction resulting in a Change of Control (as determined in good faith by the Committee if any part of the offered price is payable other than in cash), or (ii) in the case of a Change of Control occurring solely by reason of a change in the composition of the Committee, the highest Fair Market Value of the Common Shares on any of the thirty (30) trading days immediately preceding the date on which a Change of Control occurs, except if the relevant participant is subject to taxation under the ITA such Change of Control price shall be deemed to be a price determined by the Committee based on the closing price of a Common Share on the TSXV on the trading day preceding the Change of Control date or based on the volume weighted average trading price of the Common Shares on the TSXV for the five trading days immediately preceding the Change of Control date.
- (k) **"Code"** means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.
- (l) **"Common Shares"** or **"Common Shares"** means, as the case may be, one or more common shares in the capital of the Company.
- (m) **"Committee"** means the Board of Directors or if so delegated in whole or in part by the Board, any duly authorized committee appointed by the Board to administer the Plan.
- (n) **"Company"** means Railtown Capital Corp., a company incorporated under the laws of the Province of British Columbia, and any successor thereto as provided in Article 17 herein.
- (o) **"Consultant"** has the meaning given to such term in TSXV Policy 4.4.
- (p) **"Deferred Share Unit"** means an Award denominated in units that provides the holder thereof with a right to receive Common Shares, an amount in cash having an equivalent value or a combination thereof upon settlement of the Award, granted under Article 7 herein and subject to the terms of this Plan.
- (q) **"Director"** has the meaning given to such term in TSXV Policy 4.4.
- (r) **"Disability"** has the meaning attributed thereto in the Participant's written agreement with the Company or an Affiliate and if there is no such defined term, means the Participant's inability to substantially fulfil their duties on behalf of the Company as a result of illness or injury for a continuous period of nine (9) nine months or more or for an aggregate period of twelve (12) months or more during any consecutive twenty-four (24) month period, despite the provision of reasonable accommodations by the Company or an Affiliate, as applicable.
- (s) **"Discounted Market Price"** has the meaning given to such terms in TSXV Policy 1.1;
- (t) **"Disinterested Shareholder Approval"** has the meaning given to "disinterested Shareholder approval" in section 5.3 of TSXV Policy 4.4.
- (u) **"Dividend Equivalent"** means a right with respect to an Award to receive cash or Common Shares equal in value and form to dividends declared by the Committee and paid with respect to outstanding Common Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.
- (v) **"Employee"** has the meaning given to such term in TSXV Policy 4.4.

- (w) **"Exercise Notice"** means the notice respecting the exercise of an Option, in the form substantially similar to that set out as Schedule "B" hereto.
- (x) **"Exercise Price"** means the price at which a Common Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.
- (y) **"Fair Market Value"** or **"FMV"** means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the TSXV, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Common Shares on the TSXV for the five trading days immediately prior to the applicable date (subject to such price not being less than the Discounted Market Price) or (ii) the closing price of the Common Shares on the TSXV on the trading day immediately prior to the applicable date (subject to such price not being less than the Discounted Market Price), and provided, further, that with respect to an Option granted to a U.S. Participant, such Participant and the number of Common Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five (5) trading day period. In the event that such Common Shares are not listed and posted for trading on any exchange, the Fair Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion and, with respect to an Award made to a U.S. Participant, in accordance with Section 409A of the Code.
- (z) **"Incapacity"** or **"Incapacitated"** means the incapacity or inaptitude of a Participant to administer the Participant's estate, that results in the appointment of an administrator of the Participant's estate or that enables a person or entity to act on the Participant's behalf pursuant to a power of attorney.
- (aa) **"Insider"** has the meaning given to such term in TSXV Policy 1.1.
- (bb) **"Investor Relations Activities"** has the meaning given such term in TSXV Policy 1.1 and for purpose of this Plan, Persons retained to perform Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee, Management Company Employee, Officer or Director whose role and duties primarily consist of Investor Relations Activities.
- (cc) **"ITA"** means the *Income Tax Act* (Canada) and the regulations adopted thereunder, as amended from time to time.
- (dd) **"ISO"** has the meaning given to that term under Section 15.1.
- (ee) **"Management Company Employee"** has the meaning given to such term in TSXV Policy 4.4.
- (ff) **"Market Price"** has the meaning ascribed thereto in TSXV Policy 1.1.
- (gg) **"Notice Period"** means only that period constituting the minimum notice of termination period that is required to be provided to a Participant pursuant to applicable employment standards legislation (if applicable and if any). For certainty, the "Notice Period" shall exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to a Participant pursuant to applicable employment standards legislation (if applicable and if any), or (ii) the Participant's last day of performing work for the Company or an Affiliate (including any period of vacation, Disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right.
- (hh) **"Officer"** has the meaning given such term in TSXV Policy 4.4.

- (ii) **"Option"** means the conditional right to purchase Common Shares at a stated Exercise Price for a specified period of time, granted under Article 5 herein and subject to the terms of this Plan.
- (jj) **"Participant"** means a Director, Officer, Employee, Management Company Employee or Consultant that is the recipient of an Award granted or issued by the Company under this Plan and, as context requires, shall include a registered retirement savings plan ("**RRSP**") or registered retirement income fund ("**RRIF**") established and controlled by a Participant or a company that is wholly owned by an individual Participant.
- (kk) **"Performance Goal"** means conditions, if any, imposed on an Award which are required to be satisfied or discharged during the Performance Period in order that an Award shall vest as further described in Section 8.3.
- (ll) **"Performance Period"** means the period of time during which Performance Goal must be satisfied or discharged following which the Award shall terminate unvested.
- (mm) **"Performance Share Unit"** means an Award denominated in units subject to a Performance Period, with a right to receive Common Shares or cash or a combination thereof upon settlement of the Award, as a function of the extent to which corresponding vesting criteria have been achieved, granted under Article 8 herein and subject to the terms of this Plan.
- (nn) **"Period of Restriction"** means the period, if any, imposed on an Award, when such Award is subject to forfeiture based on the passage of time, the achievement of Performance Goals, and/or upon the occurrence of other events.
- (oo) **"Person"** shall have the meaning ascribed to such term in Section 1(1) of the BCSA.
- (pp) **"Plan"** means this Omnibus Equity Incentive Plan.
- (qq) **"Predecessor Plan"** has the meaning given to that term under Section 1.1.
- (rr) **"Restriction Period"** means a period determined by the Board, in its sole discretion, ending in all cases no later than (i) in the case of Performance Share Units and Restricted Share Units that are subject to the ITA, three (3) years after the last day of the calendar year in which the performance of services for which Performance Share Units or Restricted Share Units are granted, occurred, (ii) in the case of Deferred Share Units that are subject to the ITA, the last day of the calendar year following the Participant's Termination Date; and (iii) in every other case, the date determined by the Board at the time any Award is granted or at any time thereafter during which any Restricted Share Units or Deferred Share Units is subject to vesting, risk of forfeiture or deferral, as applicable.
- (ss) **"Restricted Share Unit"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Common Shares or cash or a combination thereof upon settlement of the Award, as a function of the extent to which corresponding vesting criteria have been achieved, granted under Article 6 herein and subject to the terms of this Plan.
- (tt) **"Retirement"** or **"Retire"** means a Participant's voluntary cessation of engagement with the Company as Directors, Officers, Employees and Consultants, as applicable, if, at the time of such cessation, the Participant has attained the age of 65 and the Participant has provided at least 5 years of services to the Company or a subsidiary of the Company or, if the Committee, in its sole discretion, determines the circumstances surrounding the Participant's cessation with the Company should be treated as retiring under the Plan having regard the age, length of service and the circumstances surrounding their cessation.
- (uu) **"Separation from Service"** has the meaning ascribed to it under Section 409A of the Code.

- (vv) **"Stock Appreciation Right"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Common Shares or cash or a combination thereof upon settlement of the Award, based on the appreciated value of the Common Shares, granted under Article 9 herein and subject to the terms of this Plan.
- (ww) **"Successor Entity"** has the meaning ascribed thereto under subsection (v) of the definition of Change of Control.
- (xx) **"Termination Date"** means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates:
- (i) by reason of the Participant's death or Incapacity, the date of death or Incapacity, then such date of death or incapacity;
 - (ii) by reason of termination for Cause, resignation by the Participant or Retirement, the Participant's last day actively at work or actively performing services for the Company or an Affiliate;
 - (iii) by reason of Disability, then the date on which the Participant is determined to have a Disability as defined herein;
 - (iv) for any reason whatsoever other than death, Incapacity, termination for Cause, Retirement or termination by reason of Disability, the later of the (i) date of the Participant's last day actively at work or actively performing services for the Company or the Affiliate, and (ii) the last date of the Notice Period;
 - (v) the resignation of a director and the expiry of a director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of his or her term of office; and
 - (vi) in the case of a U.S. Participant, a Participant's "Termination Date" will be the date the Participant experiences a Separation from Service.
- (yy) **"Total Share Authorization"** has the meaning ascribed thereto under Section 3.5(a).
- (zz) **"TSXV"** means the TSX Venture Exchange and at any time the Common Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Common Shares trade and which has been designated by the Committee.
- (aaa) **"TSXV Policies"** means the policies included in the TSX Venture Exchange Corporate Finance Manual and **"TSXV Policy"** means any one of them, as such policies may be amended, supplemented or replaced from time to time.
- (bbb) **"TSXV Policy 1.1"** means Policy 1.1 – *Interpretation* of the TSXV Policies, as may be amended, supplemented or replaced from time to time.
- (ccc) **"TSXV Policy 4.4"** means Policy 4.4 – *Security Based Compensation* of the TSXV Policies, as may be amended, supplemented or replaced from time to time.
- (ddd) **"U.S. Participant"** has the meaning given to that term under Section 15.1.
- (eee) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

- (fff) **"Voting Securities"** shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

Article 3 ADMINISTRATION

Section 3.1 Administration

This Plan shall be administered by the Board, or any Committee appointed by the Board to administer this Plan. Without limiting the generality of the foregoing, where a Committee has been appointed by the Board to administer this Plan pursuant to a resolution passed by the Board, such Committee has authority to:

- (a) grant to Participants, an RRSP or RRIF established and controlled by a Participant or a company that is wholly owned by an individual Participant up to the number of Awards specified by the Board in the resolution appointing the Committee or in any other subsequent resolution(s) of the Board, the whole on the terms set out in such resolution(s);
- (b) exercise rights reserved to the Company under this Plan;
- (c) determining Award terms and conditions including, but not limited to, issuance price, vesting terms, Performance Goals, exercise conditions and expiry periods (all as applicable) for Awards granted under this Plan in accordance with the terms and conditions of this Plan;
- (d) establishing the form or forms of Award Agreements;
- (e) cancel, amend, adjust or otherwise change any Award under such circumstance as the Committee may consider appropriate in accordance with the provisions of this Plan; and
- (f) make all other determinations, including, but not limited to determinations regarding whether Performance Goals have been achieved and take all other actions as it considers necessary or advisable for implementation and administration of this Plan.

Section 3.2 Delegation.

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

Section 3.3 Interpretation Binding

The interpretation, construction and application of this Plan and any Award Agreements shall be made by the Board or a Committee and shall be final and binding on all holders of Awards granted under this Plan and all Persons eligible to participate under the provisions of this Plan.

Section 3.4 Limitation of Liability

No member of the Board or Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan or any Awards granted under it.

Section 3.5 Common Shares Subject to the Plan

- (a) Subject to adjustment as provided for herein, the maximum number of Common Shares hereby reserved for issuance to Participants under the Plan, or under any other share compensation

arrangements of the Company, pursuant to the issuance of Awards, collectively, shall not in the aggregate exceed 10% of the issued and outstanding Common Shares calculated on the date of the Award grant (the "**Total Share Authorization**"). This Plan is an "evergreen" plan and, accordingly, if any Award is exercised or settled, or any Award is terminated, cancelled, forfeited or expired without being fully exercised, subject to the overall limit provided for in this Section 3.5(a) above, new grants shall become available hereunder effectively resulting in a reloading of the number of Awards available to grant pursuant to the Total Share Authorization.

- (b) The following limits apply to the operation of this Plan:
- (i) unless the Company has obtained the requisite Disinterested Shareholder Approval,
 - (A) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in any 12-month period to any one person (and companies owned or controlled by that Person) must not exceed 5% of the total number of Common Shares issued and outstanding, calculated as at the date any Award is granted or issued to such person;
 - (B) the maximum aggregate number of Common Shares which may be issued under share compensation arrangements of the Company granted or issued to Insiders as a group must not exceed 10% of the Common Shares issued and outstanding at any point in time; and
 - (C) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in any 12-month period to Insiders as a group must not exceed 10% of the Common Shares issued and outstanding, calculated on the date any Award is granted to an Insider; and
 - (ii) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in a 12-month period to any one Consultant must not exceed 2% of the Common Shares issued and outstanding, calculated at the date any Award is granted to the Consultant; and
 - (iii) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in a 12-month period to all persons retained to provide Investor Relations Activities must not exceed 2% of the Common Shares issued and outstanding, calculated at the date any Award is granted to any such Person.
- (c) The Board (which for these purposes does not include a reference to a Committee) shall allot, set aside and reserve for issuance for the purpose of this Plan a sufficient number of Common Shares at each meeting of the Board such that the number of Common Shares issuable under Section 3.5(a) shall be properly allotted, set aside and reserved for issuance.

Article 4

ELIGIBILITY AND GRANT OF AWARDS

Section 4.1 Eligibility

Awards may only be granted to Participants, an RRSP or RRIF established and controlled by a Participant or a company that is wholly owned by an individual Participant and provided that the participation is voluntary. A Participant will not be entitled to receive a grant of an Award after the date that the Participant

ceases to be a Director, an Officer, an Employee, a Management Company Employee or a Consultant in each case for any reason.

Section 4.2 Transfers of Employment and Changes of Role

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates or a change of role with the Company or an Affiliate, shall not be deemed a termination of employment provided that the Participant remains a Participant. The Committee may provide in a Participant's Award Agreement or otherwise the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate shall not be deemed a termination of employment for purposes of an Award.

Section 4.3 Committee's Discretion

- (a) Subject to the foregoing, the Committee shall have full and final authority to determine the Participants who are to be allocated and granted Awards under this Plan and the number of Common Shares subject to each Award grant. Subject to Article 11, Awards granted under this Plan shall be for Common Shares only, and for no other security.
- (b) Unless limited by the terms of this Plan or any regulatory or stock exchange requirement, the Committee shall have full and final authority, in its discretion, to determine the nature, terms and conditions attached to any grant of Awards under this Plan.

Section 4.4 Bona Fide Representation.

For Awards granted to Employees, Consultants or Management Company Employees, the Company and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

Section 4.5 Eligibility of Persons Retained to Provide Investor Relations Activities.

Persons retained to provide Investor Relations Activities may only be granted Options under this Plan.

Section 4.6 Specific Allocation

The Company cannot grant or issue an Award hereunder unless and until the Award has been allocated to a particular Participant.

Section 4.7 Notification of Award

Following the approval by the Committee of the granting or issuance of an Award, the Committee will notify the recipient in writing of the Award and will enclose with such notice the Award Agreement representing the Award so awarded.

Section 4.8 Copy of Plan

In addition to the notice of the Award and Award Agreement, as set out in Section 4.7 hereto, the Company will also forward to the Participant a copy of this Plan (on the first grant of an Award hereunder) and any other documentation that may be required by applicable law, stock exchange or regulatory requirements.

Section 4.9 Non-Transferability of Awards

Subject to applicable law, no Award granted under this Plan shall be assignable or transferable otherwise than:

- (a) by will or by the laws of descent and distribution, and such Award shall be exercisable, during a Participant's lifetime, only by the Participant (subject to Section 10.1);
- (b) to a Participant's RRSP or RRIF, provided that the Participant is, during the Participant's lifetime, the sole beneficiary of the RRSP or RRIF; or
- (c) a company that is wholly owned by an individual Participant provided that such company has complied with the requirements of section 2(c) of TSXV Policy 4.4.

Section 4.10 Other Requirements

- (a) The date that an Award is granted shall be the date such grant was approved by the Committee.
- (b) The Company may only grant Awards pursuant to resolutions of the Committee.
- (c) The Company may not grant any Awards while there is an undisclosed material change or undisclosed material fact relating to the Company.
- (d) Any Award granted under this Plan shall be subject to the requirement that, if at any time the Company determines that the listing, registration or qualification of the Common Shares subject to such Award, or such Award itself, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Common Shares thereunder, such Award may not be granted, accepted, exercised or vest in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board (which for these purposes does not include a reference to a Committee).
- (e) All Awards and Common Shares issuable thereunder are subject to any applicable resale restrictions under securities laws and the Exchange Hold Period (as defined in TSXV Policy 1.1), and shall have affixed thereto any legends required under securities laws and the policies of the TSXV.
- (f) If any Awards are issued to a U.S. Participant or anyone who becomes a U.S. Participant, who is granted an Award in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States, such Participant shall receive an Award Agreement which sets out the applicable United States restrictions.
- (g) The Committee shall not grant any Awards that may be denominated or settled in Common Shares to residents of the United States or a US. Participant unless such Awards and the Common Shares issuable upon exercise thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.
- (h) Awards granted to U.S. Participants and any Common Shares issued on the exercise of such Awards may be subject to additional resale restrictions as outlined in the Award Agreement.

Section 4.11 Blackout Period

Notwithstanding the expiry date, redemption date or settlement date of any Award, such expiry date, redemption date or settlement date, as applicable, of the Award shall be extended to the tenth business day following the last day of a Blackout Period if the expiry date, redemption date or settlement date of the Award would otherwise occur in a Blackout Period. The following requirements are applicable to any such automatic extension provision:

- (a) the Blackout Period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information;
- (b) the automatic extension of the expiry date, redemption date or settlement date, as applicable, of a Participant's Award is not permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under Canadian securities laws) in respect of the Corporation's securities; and
- (c) the automatic extension is available to all eligible Participants under the Plan under the same terms and conditions.

Section 4.12 Participation in this Plan

The Company makes no representation or warranty as to the future market value of the Common Shares or with respect to any income tax matters affecting any Participant resulting from the grant, vesting or settlement of an Award, the exercise of an Option or resulting from any transactions in the Common Shares or any other event affecting the Awards. The Company and its Affiliates do not assume responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.

Article 5 STOCK OPTIONS

Section 5.1 Grant of Options.

Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, which need not be the same for each grant or for each Participant.

Section 5.2 Award Agreement.

Each Option grant shall be evidenced by an Award Agreement, an indicative form of which is attached as Schedule "A" hereto, that shall specify the terms and conditions of the Option grant including, the award date of the Option, the Exercise Price, the duration of the Option, the number of Common Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine. The Award Agreement shall contain such terms and conditions that may be considered necessary in order for the Options to comply with any provisions respecting options contained in any income tax laws or any other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 5.3 Exercise Price.

- (a) The Exercise Price for each grant of an Option under this Plan shall be determined by the Committee and shall not be less than the Discounted Market Price. If the Company does not issue a news release to fix the Exercise Price pursuant to TSXV Policy 4.4, the Discounted Market Price is the last closing price before the date of the grant less the applicable discount. With respect to any Option granted under to a U.S. Participant, the Exercise Price shall not be less than the Fair Market Value of a Common Share on the date such Option is granted. The Exercise Price shall be specified in the Award Agreement.
- (b) Where the Exercise Price is at a discount to Market Price or where otherwise required under the TSXV Policies, all Options and any Common Shares issued under such Options exercised prior to the expiry of the Exchange Hold Period shall be legended with the Exchange Hold Period commencing on the date the Options were granted.

Section 5.4 Duration of Options.

Each Option granted to a Participant shall expire and become null, void and of no effect as of 5:00 p.m. local time in Vancouver British Columbia on the expiry date, as determine at the time of grant; provided, however, that (i) no Option shall be granted with a term exceeding the tenth (10th) anniversary date of its grant; and (ii) no Option shall expire in a period greater than one year following the date on which a Participant ceases to be an eligible Participant. Notwithstanding the foregoing, the expiry date of any Option shall be extended in the circumstances described in Section 4.11.

Section 5.5 Vesting.

- (a) The Committee shall have the authority to determine vesting terms applicable to grants of Options, which Options in its discretion, which need not be the same for each grant or for each Participant.
- (b) Notwithstanding the foregoing, Options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months, and no more than 25% of such Options may vest in any three month period, but in any event, such Options shall not vest sooner than:
 - (i) one quarter ($\frac{1}{4}$) of the Options on the date which is three (3) months from the date of grant;
 - (ii) one quarter ($\frac{1}{4}$) of the Options on the date which is six (6) months from the date of grant;
 - (iii) one quarter ($\frac{1}{4}$) of the Options on the date which is nine (9) months from the date of grant; and
 - (iv) the final one quarter ($\frac{1}{4}$) of the Options on the date which is twelve (12) months from the date of grant.

Section 5.6 Exercisability

- (a) Subject to Article 10, an Option may be exercised in whole or in part from time to time once it has vested and until expiration or termination by delivering to the Company at its head or registered office, a written Exercise Notice substantially in the form set out as Schedule "B" or following such alternative procedures which may be authorized by the Committee, specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment for the full amount of the purchase price of the Common Shares then being purchased by certified cheque, wire transfer, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee. Subject to any governing rules or regulations, as soon as practicable after receipt of a notification of exercise and full payment for the Common Shares, the Common Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company.
- (b) Notwithstanding Section 4.10(d), the Company shall not, upon the exercise of any Option, be required to register, issue or deliver any Common Shares prior to:
 - (i) the listing of such Common Shares on any stock exchange on which the Common Shares may then be listed; and
 - (ii) the completion of such registration or other qualification of such Common Shares under any law, rules or regulation as the Company shall determine to be necessary or advisable (including, without limitation, NI 45-106).
- (c) If any Common Shares cannot be registered, issued or delivered to any Participant for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any

Option exercise price paid to the Company shall be returned to the Participant without deduction or interest.

- (d) Subject to Section 5.7, the Common Shares to be purchased upon each exercise of an Option shall be paid for in full in cash by the Eligible Participant at the time of exercise.
- (e) No Option holder who is resident in the United States or a U.S. Participant may exercise Options unless the underlying Common Shares are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

Section 5.7 Cashless Exercise.

Options may exercise, at the option of the Participant, on a Cashless Exercise basis in accordance with TSXV Policy 4.4, provided that the Company has entered into an agreement with a brokerage firm to facilitate such Cashless Exercise.

Section 5.8 Grant of Options for Non-Qualifying Canadian Securities

At the time of the grant of any Option, the Board may designate, or shall, to the extent required by the ITA, designate, that such Option shall be in respect of Shares that are Non-Qualifying Securities, and the Board shall cause to be provided notice of such designation of Shares as Non-Qualifying Securities in the manner and by the date(s) required by subsection 110(1.9) of the ITA to each of:

- (a) the Participant (including, where permitted by the ITA, in a Award Agreement); and
- (b) the Minister of National Revenue for Canada.

Article 6 RESTRICTED SHARE UNITS

Section 6.1 Grant of Restricted Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may, subject to Section 4.5, grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption thereunder.

Section 6.2 Restricted Share Unit Agreement.

- (a) Each Restricted Share Unit grant shall be evidenced by an Award Agreement, an indicative form of which is attached as Schedule "C" hereto, that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date (which shall not be later than the last day of the Restriction Period) for Restricted Share Units, and any such other provisions as the Committee shall determine, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Restricted Share Unit, restrictions based upon the achievement of specific Performance Goals, time-based restrictions on vesting following the attainment of the Performance Goals, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed or traded, or holding requirements or sale restrictions placed on the Common Shares by the Company upon vesting of such Restricted Share Units.
- (b) In making such determination, the Board shall consider the timing of crediting Restricted Share Units, including crediting Restricted Share Units in connection with Dividend Equivalents, to a

Participant's account, the vesting requirements and settlement timing applicable to such Restricted Share Units to ensure that the crediting of the Restricted Share Units to the Participant's account, the vesting requirements and settlement timing are not considered a "salary deferral arrangement" for the purposes of the ITA and any applicable provincial legislation.

- (c) The Award Agreement in respect of Restricted Share Units shall contain such terms that may be considered necessary in order that the Restricted Share Units will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 6.3 Vesting Restriction

Restricted Share Units will vest on such terms as shall be specified by the Committee at the time of granting such Restricted Share Units, which need not be the same for each grant or for each Participant, and such vesting period shall be reflected in the Award Agreement. Except pursuant to Section 10.1 or as otherwise determined by the Board in connection with a Change of Control pursuant to Section 11.2 or other similar transaction, no Restricted Share Units may vest before the date that is one year following the date it is granted or issued. For greater certainty, the vesting period must fall after the end of the Period of Restriction, but no later than the last day of the Restriction Period.

Section 6.4 Dividends and Other Distributions.

Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Common Shares or Dividend Equivalents while they are so held in accordance with the Plan and otherwise in such a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Common Shares, or Restricted Share Units, provided that any Dividend Equivalents paid in the form of additional Awards or Common Shares shall reduce the applicable pool of Common Shares available for issuance under all share compensation arrangements of the Company. Further, any additional Restricted Share Units credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Restricted Share Units to which they relate. If the Company does not have a sufficient number of Common Shares available under this Plan to satisfy the payment of any dividends or Dividend Equivalent under this Section 6.4, or the issuance of any Awards or Common Shares in satisfaction of any dividends or Dividend Equivalents under this Section 6.4 would result in the breach of any limit contained in this Plan, the Company shall satisfy any such dividend payment in cash.

Section 6.5 Payment in Settlement of Restricted Share Units.

Except as otherwise provided in the Award Agreement or any other provision of the Plan, when and if Restricted Share Units become payable, the Company shall settle such Restricted Share Unit within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Common Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. Any Common Shares issued under this Section 6.5 shall be considered as fully paid in consideration of past services rendered that are not less in value than the fair equivalent of money that the Company would have received if the Common Shares were issued for money. Notwithstanding the foregoing, any payment in settlement of Restricted Share Units shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Section 6.6 U.S. Participants.

No Restricted Share Unit holder who is resident in the United States may settle Restricted Share Units for Common Shares unless the Common Shares issuable upon settlement of the Restricted Share Units are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

Article 7 DEFERRED SHARE UNITS

Section 7.1 Grant of Deferred Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may, subject to Section 4.5, grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption thereunder.

Section 7.2 Deferred Share Unit Agreement.

- (a) Each Deferred Share Unit grant shall be evidenced by an Award Agreement, an indicative form of which is attached as Schedule "C" hereto, that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific Performance Goals, time-based restrictions on vesting following the attainment of the Performance Goals, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed or traded, or holding requirements or sale restrictions placed on the Common Shares by the Company upon vesting of such Deferred Share Units.
- (b) In making such determination, the Board shall consider the timing of crediting Deferred Share Units, including crediting Deferred Share Units in connection with Dividend Equivalents, to a Participant's Account, any vesting requirements and settlement timing applicable to such Deferred Share Units to ensure that the crediting of the Deferred Share Units to the Participant's Account, any vesting requirements and settlement timing are compliant with Regulation 6801(d) under the ITA and any applicable provincial legislation.

Section 7.3 Vesting Restriction

- (a) Deferred Share Units will vest on such terms as shall be specified by the Committee at the time of granting such Deferred Share Units, which need not be the same for each grant or for each Participant, and such vesting period shall be reflected in the Award Agreement. Except pursuant to Section 10.1 or as otherwise determined by the Board in connection with a Change of Control pursuant to Section 11.2 or other similar transaction, no Deferred Share Units may vest before the date that is one year following the date it is granted or issued.
- (b) Notwithstanding any provision to the contrary in this Plan or any applicable Award Agreement, the Board may, in its sole discretion, make adjustments to the calculation of any Deferred Share Units granted to Participants based on its assessment of the risk level, events that may impact the value of the Deferred Share Units or when calculations do not properly reflect all of the relevant considerations, provided further that, in respect of any Deferred Share Units subject to the ITA, no such adjustments shall entitle the Participant or a person with whom the employee does not deal at arm's length, either immediately or in the future, either absolutely or contingently, to receive or

obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Fair Market Value of the Common Shares.

Section 7.4 Dividends and Other Distributions.

Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Common Shares or Dividend Equivalents while they are so held in accordance with the Plan and otherwise in such a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Common Shares, or Deferred Share Units, provided that any Dividend Equivalents paid in the form of additional Awards or Common Shares shall reduce the applicable pool of Common Shares available for issuance under all share compensation arrangements of the Company. Further, any additional Deferred Share Units credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Deferred Share Units to which they relate. If the Company does not have a sufficient number of Common Shares available under this Plan to satisfy the payment of any dividends or Dividend Equivalent under this Section 7.4, or the issuance of any Awards or Common Shares in satisfaction of any dividends or Dividend Equivalents under this Section 7.4 would result in the breach of any limit contained in this Plan, the Company shall satisfy any such dividend payment in cash.

Section 7.5 Payment in Settlement of Deferred Share Units.

Except as otherwise provided in the Award Agreement or any other provision of the Plan, when and if Deferred Share Units become payable, the Company shall settle such Deferred Share Units within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Common Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. Unless specified otherwise in the Award Agreement, the settlement date of any Deferred Share Unit shall be no earlier than the date on which the Participant ceases to be an eligible Participant under this Plan. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units. In the case of a Deferred Share Unit that is subject to the ITA, all vested Deferred Share Units shall be settled no later than the last day of the calendar year following the Participant's Termination Date. Notwithstanding the foregoing, any payment in settlement of Deferred Share Units shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Section 7.6 U.S. Participants

No Deferred Share Unit holder who is resident in the United States may settle Deferred Share Units for Common Shares unless the Common Shares issuable upon settlement of the Deferred Share Units are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

Article 8 PERFORMANCE SHARE UNITS

Section 8.1 Grant of Performance Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may, subject to Section 4.5, grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption thereunder.

Section 8.2 Performance Share Unit Agreement.

- (a) Each Performance Share Unit grant shall be evidenced by an Award Agreement, an indicative form of which is attached as Schedule "C" hereto, that shall specify the number of Performance Share Units granted, the Performance Period for Performance Share Units, and any other provisions as the Committee shall determine, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Performance Share Unit, restrictions based upon the achievement of specific Performance Goals, time-based restrictions on vesting following the attainment of the Performance Goals, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed or traded, or holding requirements or sale restrictions placed on the Common Shares by the Company upon vesting of such Performance Share Units.
- (b) In making such determination, the Board shall consider the timing of crediting Performance Share Units, including crediting Performance Share Units in connection with Dividend Equivalents, to a Participant's account, the vesting requirements and settlement timing applicable to such Performance Share Units to ensure that the crediting of the Performance Share Units to the Participant's account, the vesting requirements and settlement timing are not considered a "salary deferral arrangement" for the purposes of the ITA and any applicable provincial legislation.
- (c) The Award Agreement in respect of Performance Share Units shall contain such terms that may be considered necessary in order that the Performance Share Units will comply with any provisions respecting performance share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

Section 8.3 Performance Goals.

The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Committee. The Committee may modify the Performance Goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur, and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur)), all as set forth in the applicable Award Agreement.

Section 8.4 Vesting Restriction.

Performance Share Units will vest on such terms as shall be specified by the Committee at the time of granting such Performance Share Units, which need not be the same for each grant or for each Participant, and such vesting period shall be reflected in the Award Agreement. Except pursuant to Section 10.1 or as otherwise determined by the Board in connection with a Change of Control pursuant to Section 11.2 or other similar transaction, no Performance Share Units may vest before the date that is one year following the date it is granted or issued. For greater certainty, the vesting period must fall after the end of the Performance Period but no later than the last day of the Restriction Period.

Section 8.5 Dividends and Other Distributions.

Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Common Shares or Dividend Equivalents while they are so held in accordance with the Plan and otherwise in such a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents

that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Common Shares, or Performance Share Units, provided that any Dividend Equivalents paid in the form of additional Awards or Common Shares shall reduce the applicable pool of Common Shares available for issuance under all share compensation arrangements of the Company. Further, any additional Performance Share Units credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the Performance Share Units to which they relate. If the Company does not have a sufficient number of Common Shares available under this Plan to satisfy the payment of any dividends or Dividend Equivalent under this Section 8.5, or the issuance of any Awards or Common Shares in satisfaction of any dividends or Dividend Equivalents under this Section 8.5 would result in the breach of any limit contained in this Plan, the Company shall satisfy any such dividend payment in cash.

Section 8.6 Payment in Settlement of Performance Share Units.

Subject to the terms of this Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding Performance Goals have been achieved. When and if Preferred Share Units become payable, the Company shall settle such Performance Share Units within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Common Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Preferred Share Units. Any Common Shares issued under this Section 8.6 shall be considered as fully paid in consideration of past services rendered that are not less in value than the fair equivalent of money that the Company would have received if the Common Shares were issued for money. Notwithstanding the foregoing, any payment in settlement of Performance Share Units shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Section 8.7 U.S. Participants

No Performance Share Unit holder who is resident in the United States may settle Performance Share Units for Common Shares unless the Common Shares issuable upon settlement of the Performance Share Units are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

Article 9 STOCK APPRECIATION RIGHTS

Section 9.1 Grant of Stock Appreciation Rights.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may, subject to Section 4.5, grant Stock Application Rights to Participants in such amounts and upon such terms as the Committee shall determine, which need not be the same for each grant or for each Participant, provided that the terms comply with Section 409A of the Code with respect to a U.S. Participant or an applicable exemption thereunder.

Section 9.2 Stock Appreciation Right Agreement.

Each Stock Appreciation Right grant shall be evidenced by an Award Agreement, an indicative form of which is attached as Schedule "C" hereto, that shall specify the number of Stock Appreciation Rights granted, the grant price of the Stock Appreciation Right which shall not be less than the Market Price, the settlement date for Stock Appreciation Rights, and any other provisions as the Committee shall determine, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Stock

Appreciation Right, restrictions based upon the achievement of specific Performance Goals, time-based restrictions on vesting following the attainment of the Performance Goals, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed or traded, or holding requirements or sale restrictions placed on the Common Shares by the Company upon vesting of such Stock Appreciation Rights. Notwithstanding the foregoing, in no event may an Award Agreement covering Stock Appreciation Rights granted to U.S. Participants have an exercise or base price (per share) that is less than the Fair Market Value per Common Share on the date of grant or expire more than ten years following the date of grant.

Section 9.3 Vesting Restriction

Stock Appreciation Rights will vest on such terms as shall be specified by the Committee at the time of granting such Stock Appreciation Rights, which need not be the same for each grant or for each Participant, and such vesting period shall be reflected in the Award Agreement. Except pursuant to Section 10.1 or as otherwise determined by the Board in connection with a Change of Control pursuant to Section 11.2 or other similar transaction, no Stock Appreciation Rights may vest or become freely trading before the date that is one year following the date it is granted or issued.

Section 9.4 Payment in Settlement of Stock Appreciation Rights.

Except as otherwise provided in the Award Agreement or any other provision of the Plan, when and if Stock Appreciation Rights become payable, the Company shall settle such Stock Appreciation Right within a reasonable time and, in any event, no later than the last day of the Restriction Period, in cash, Common Shares of equivalent value (based on the FMV as of the settlement date), in some combination thereof, or in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Stock Appreciation Rights. Any Common Shares issued under this Section 9.4 shall be considered as fully paid in consideration of past services rendered that are not less in value than the fair equivalent of money that the Company would have received if the Common Shares were issued for money. Notwithstanding the foregoing, any payment in settlement of Stock Appreciation Rights shall be in a manner that is exempt from, or complies with, Section 409A of the Code with respect to any U.S. Participant.

Section 9.5 U.S. Participants

No Stock Appreciation Right holder who is resident in the United States may settle Stock Appreciation Rights for Common Shares unless the Common Shares issuable upon settlement of the Stock Appreciation Rights are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

Article 10 TERMINATION OF EMPLOYMENT OR SERVICES

Section 10.1 Death, Incapacity and Disability.

If a Participant dies or becomes Incapacitated during the term of any Award or suffers a Disability while a Participant and, as a result, his or her employment, term of office or engagement with the Company or an Affiliated is terminated:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) any Awards held by the Participant that are subject to a Performance Goal shall be deemed to have been satisfied upon completion of the Performance Period;

- (c) the executor, liquidator or administrator of the Participant's estate may exercise Options or other exercisable Awards of the Participant that become exercisable (including Awards which vested pursuant to the foregoing paragraphs) prior to the termination of such Awards in accordance with Section 10.1(e);
- (d) any Restricted Share Units, Deferred Share Units, Performance Share Units, or Stock Appreciation Rights held by the Participant that have vested or vest (including Awards which vested pursuant to Section 10.1(a) or Section 10.1(b)) prior to their termination in accordance with Section 10.1(e), and do not otherwise have exercise requirements, shall be paid to the Participant, executor, liquidator or administrator of the Participant's estate in accordance with the terms of the Plan and Award Agreement;
- (e) the right to exercise or be paid for an Award terminates on the earlier of: (i) the date that is 12 months after the Termination Date; (ii) the date on which the particular Award expires or terminates; and (iii) with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, the last day of the same calendar year as the Participant's Separation from Service; and
- (f) such Participant's eligibility to receive further grants of Awards under the Plan ceases as of the Termination Date.

Section 10.2 Retirement.

If a Participant voluntarily Retires then:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate may exercise Options or other exercisable Awards of the Participant that become exercisable (including Awards which vested pursuant to the foregoing paragraphs) prior to the termination of such Awards in accordance with Section 10.2(d);
- (c) any Restricted Share Units, Deferred Share Units, Performance Share Units, or Stock Appreciation Rights held by the Participant that have vested or vest (including Awards which vested pursuant to Section 10.2(a) prior to their termination in accordance with Section 10.2(d)), and do not otherwise have exercise requirements, shall be paid to the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate in accordance with the terms of the Plan and Award Agreement;
- (d) the right to exercise or be paid for an Award terminates on the earlier of: (i) the date that is 12 months after the Termination Date; (ii) the date on which the particular Award expires or terminates; and (iii) with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, to the extent necessary to comply with Section 409A of the Code, the last day of the same calendar year as the Participant's Separation from Service; and
- (e) such Participant's eligibility to receive further grants of Awards under the Plan ceases as of the Termination Date.

Section 10.3 Termination For Cause:

Except for explicit modifications of the application of this clause set out in a Participant's employment or such other services agreement (which shall have paramountcy over this clause) and subject to the discretion of the Board to determine otherwise (which for the purposes of this Section 10.3 does not include reference to a Committee), where a Participant's employment, term of office or engagement terminates for just Cause:

- (a) any vested but unexercised Options or other exercisable Awards held by the Participant at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date for no consideration;
- (b) any other Awards held by the Participant that are not yet vested or payable by the Company at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date for no consideration;
- (c) any remaining Awards held by the Participant that have vested and become payable by the Company before the Termination Date shall be paid to the Participant; and
- (d) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated for Cause,

provided that, in any case where the Board determines otherwise or as otherwise agreed in any contract with any Participant which has been approved by the Board, the exercise or settlement period of an Award held by a Person who ceases to be a Participant shall not be longer than 12 months following the Termination Date.

Section 10.4 Termination for any Other Reason

Except for explicit modifications of the application of this clause set out in a Participant's employment agreement (which shall have paramountcy over this clause) and subject to the discretion of the Board to determine otherwise (which for these purposes of this Section 10.4 does not include reference to a Committee), where a Participant's employment or term of office or engagement terminates for any reason other than pursuant to Section 10.1, Section 10.2 or Section 10.3, then:

- (a) any vested but unexercised Options or other exercisable Awards held by the Participant at the Termination Date will continue to be exercisable by the Participant until the earlier of:
 - (i) the date that is 90 days after the Termination Date;
 - (ii) the date on which the exercise period of the particular Option expires; and
 - (iii) with respect to Options subject to Section 409A of the Code awarded to U.S. Participant, to the extent necessary to comply with Section 409A of the Code, the last day of the same calendar year as the Participant's Separation from Service,
- (b) any other Awards held by the Participant that have vested (or vest pursuant to Section 11.2(c) or otherwise) and become payable by the Company before the Termination Date shall be paid to the Participant;
- (c) subject to Section 11.2(c), any other Awards held by the Participant that are not yet vested or payable by the Company at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date for no consideration; and
- (d) the eligibility of a Participant to receive further grants under the Plan ceases as of the Termination Date,

provided that, in any case where the Board determines otherwise or as otherwise agreed in any contract with any Participant which has been approved by the Board, the exercise or settlement period of an Award held by a Person who ceases to be a Participant shall not be longer than 12 months following the Termination Date.

Article 11 ADJUSTMENT

For the purposes of this Article 11, any reference to the Board does not include a reference to a Committee.

Section 11.1 Adjustments in Authorized Shares.

- (a) Subject to the approval of the TSXV, where applicable, in the event of any corporate event or transaction (including, but not limited to, a change in the Common Shares of the Company or the capitalization of the Company) such as a merger, arrangement or amalgamation that does not constitute a Change of Control under Section 11.2, or a consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction (collectively, a "**Corporate Reorganization**"), the Board shall make or provide for such adjustments or substitutions, as applicable, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization including adjustments or substitutions to the number and kind of Common Shares that may be issued under the Plan, the number and kind of Common Shares subject to outstanding Awards, the Exercise Price or grant price applicable to outstanding Awards, the Total Share Authorization, and any other value determinations applicable to outstanding Awards or to this Plan. In connection with an adjustment in connection with a Corporate Reorganization, the Board shall have the discretion to permit a holder of Awards to purchase or receive (at the times, for the consideration, and subject to the terms and conditions set out in this Plan and the applicable Award Agreement) and the holder will then accept on the exercise or settlement of such Award, in lieu of the Common Shares that such holder would otherwise have been entitled to receive, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of a Corporate Reorganization if, on the effective date thereof, that holder had owned all Common Shares that were subject to the Award.
- (b) The Board shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of Performance Goals and changes in the length of Performance Periods. The determination of the Board as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants and the rules of any stock exchange or market upon which such Common Shares are listed or traded.

Section 11.2 Change of Control

- (a) Subject to the provisions of Section 11.2(b) or as otherwise provided in the Plan, in the event of a Change of Control, the Board shall have the discretion to:
- (i) to amend, abridge or eliminate any vesting terms (except, without the prior approval of the TSXV, the vesting terms of Options granted to Persons retained to perform Investor Relation Activities), conditions or schedule or to otherwise amend the conditions of exercise so that any such Award may be exercised or settled in whole or in part, conditionally or otherwise, by the Participant so as to entitle the Participant to either tender Common Shares into a transaction that could result in a Change of Control or receive any securities, property or cash which the Participant would have received upon such Change of Control if the Participant had exercised or settled their Award immediately prior to the applicable record date or event and, if determined appropriate by the Board, any such Award not exercised or otherwise settled at the effective time or record date (as applicable) of such Change of Control will be deemed to have expired; or

- (ii) unilaterally determine that all outstanding Awards (other than Deferred Share Units and Options subject to the ITA) shall be cancelled upon a Change of Control, and that the value of such Awards, as determined by the Board in accordance with the terms of the Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, subject to the approval of the TSXV,

provided that, if the transaction that constitutes the Change of Control is not completed within the time specified therein; then, at the discretion of the Board, the Common Shares may be returned to the Company and with respect to such returned Common Shares, the Award shall be reinstated as if it had not been exercised and the amended, abridged or otherwise eliminated vesting terms, conditions or schedules shall be reinstated and the affected Awards shall continue as if not amended, abridged or otherwise adjusted pursuant to this Section 11.2(a).

- (b) Notwithstanding Section 11.2(a), no cancellation, acceleration of vesting, lapsing of restrictions or payment of an Award shall occur with respect to any Award if the Board reasonably determines in good faith prior to the occurrence of a Change of Control that such Award shall be honored or assumed, or new rights substituted therefor (with such honored, assumed or substituted Award hereinafter referred to as an "**Alternative Award**") by any successor to the Company or an Affiliate as described in Article 17 and provided that the successor entity agrees to assume the obligation to provide Alternative Awards and; provided, however, that any such Alternative Award must:
 - (i) be based on stock which is traded on the TSXV and/or the Toronto Stock Exchange;
 - (ii) provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule (including vesting upon termination of employment) and identical or better timing and methods of payment;
 - (iii) recognize, for the purpose of vesting provisions, the time that the Award has been held prior to the Change of Control; and
 - (iv) have substantially equivalent economic value to such Award (determined prior to the time of the Change of Control).
- (c) Where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause, during the 24 months following a Change in Control, any unvested Awards as at the date of such termination shall be deemed to have vested as at immediately prior to the date of such termination and shall become payable or exercisable as at the date of termination.

Section 11.3 Board Discretion

Adjustments and determinations under this Article 11 shall be made by the Board, whose decisions as to the adjustments or determination which shall be made, and the extent thereof, shall be final, binding, and conclusive.

Article 12 BENEFICIARY ON DEATH OR INCAPACITY

In the event of a Participant's death or Incapacity, all amounts due under the Plan shall only be paid to, and all rights of a Participant shall only be exercised by, the administrator, liquidator or executor of the Participant's estate.

Article 13
RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

Section 13.1 Employment.

- (a) Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate to terminate any Participant's employment, consulting or other service relationship with the Company or an Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or an Affiliate.
- (b) The rights of a Participant pursuant to this Plan and any Award granted hereunder are the only rights to which the Participant (or the administrator, liquidator or executor of his or her estate) is entitled on termination of Employment with respect to such Participant's Award. The Participant acknowledges and agrees that they shall have no entitlement to damages or other compensation arising from or related to not receiving any Awards, grants, incentive compensation, payment or benefit that would have accrued to the Participant after the Termination Date. For clarity, no period of common law reasonable notice shall be used for purposes of calculating a Participant's entitlement under this Plan or any Award Agreement entered into in connection with same. By participating in this Plan, the Participant waives the right to receive damages or payment in lieu of any forfeited remuneration or Award under this Plan or any Award Agreement entered into in connection with same that would have accrued during any common law reasonable notice period that exceeds the Participant's minimum statutory notice of termination period under the applicable employment standards legislation (if any and if applicable).
- (c) The Participant's participation in this Plan and acceptance of the Awards hereunder are voluntary. The Awards and payments hereunder are not compensation for services rendered and are an extraordinary item of compensation that is outside the scope of the Participant's employment or engagement with the Company, whether written or oral, and nothing can or must automatically be inferred from such the granting of such Awards. The Awards do not form an integral, normal, or expected part of the Participant's compensation from employment or engagement, and will not be counted for any purpose including relating to the calculation of any overtime, severance, resignation, termination of employment payments, or any long-service awards, bonuses, pension or retirement income or similar payments, and the Participant waives any claim on such basis.

Section 13.2 Participation.

No Participant shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

Section 13.3 Rights as a Shareholder.

A Participant shall have none of the rights of a shareholder with respect to Common Shares covered by any Award until the Participant becomes the record holder of such Common Shares.

Article 14
AMENDMENT, MODIFICATION, SUSPENSION AND TERMINATION

Section 14.1 Amendment, Modification, Suspension and Termination.

- (a) Subject to any applicable rules of the TSXV, the Board (which for these purposes does not include a reference to a Committee) may from time to time, in its absolute discretion and without the approval of shareholders, make the following amendments to the Plan or any Option or Award:

- (i) amend the vesting provisions of the Plan, any Option or any Award;
 - (ii) amend the Plan, an Option or Award as necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body having authority over the Company, the Plan or the shareholders;
 - (iii) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan; and
 - (iv) any amendment respecting the administration of the Plan; and
 - (v) any other amendment that does not require the approval of shareholders under this Article 14.
- (b) Shareholder approval is required for any of the following amendments to the Plan or any Awards and with respect to those amendments listed in Section 14.1(b)(i)-(vi) Disinterested Shareholder Approval is required:
- (i) any individual Award grant or amendment to this Plan that would result in or permit the maximum aggregate number of Shares which may be issued under Awards granted or issued to Insiders (as a group) to exceed ten percent 10% of the issued Shares at any point in time;
 - (ii) any individual Award grant or amendment to this Plan that would result in or permit the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Shares exceeding ten percent (10%) of the issued Shares, calculated on the date the Award is granted to any Insider;
 - (iii) any individual Award grant or amendment to this Plan that would result in or permit the number of Shares issued to any individual in any twelve (12) month period under this Plan to exceeding five percent (5%) of the issued Shares of the Company;
 - (iv) any reduction in the exercise price of an Option or SAR, or the extension of the term of an Option, if the Participant is an Insider of the Company at the time of the proposed amendment;
 - (v) any amendment to an Award that results in a benefit to an Insider, and for further clarity, if the Company cancels any Award and within one year grants or issues a new Award to the same person, that is considered an amendment;
 - (vi) any individual Award grant that would result in the Total Share Authorization being exceeded;
 - (vii) any change that would materially modify the eligibility requirements for participation in this Plan;
 - (viii) an increase to the Total Share Authorization;
 - (ix) any amendment that would extend the maximum permissible term of any Award; and
 - (x) any amendment to Section 14.1(a) and this Section 14.1(b);

- (c) Other than as expressly provided in an Award Agreement or as set out in Section 11.2 hereof or with respect to a Change of Control, the Committee shall not alter or impair any rights or increase any obligations with respect to an Award previously granted under the Plan without the consent of the Participant.

Section 14.2 Adjustment of Awards Upon the Occurrence of Unusual or Nonrecurring Events.

Subject to the approval of the TSXV, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events in addition to the events described in Article 11 hereof affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

Section 14.3 Awards Previously Granted.

Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

Article 15 U.S. TAXPAYERS

Section 15.1 U.S. Participants

Any Option granted under the Plan to a Participant who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) or otherwise a "U.S. person" as defined in Rule 902(k) of Regulation S under the U.S. Securities Act (a "**U.S. Participant**") may, at the sole discretion of the Company, be an incentive stock option (an "**ISO**") within the meaning of Section 422 of the Code, but only if so designated by the Company in the Award Agreement evidencing such Option. Subject to any limitations in Section 3.5(a), the aggregate number of Shares reserved for issuance in respect of ISOs shall not exceed 12,834,531 Common Shares. No provision of this Plan, as it may be applied to a U.S. Participant with respect to Options which are designated as ISOs, shall be construed so as to be inconsistent with any provision of Section 422 of the Code or the Treasury Regulations thereunder. Grants of Options to U.S. Participants which are not designated as or otherwise do not qualify as ISOs will be treated as non-statutory stock options for U.S. federal tax purposes. Notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to ISOs granted to each U.S. Participant:

- (a) ISOs shall only be granted to individual U.S. Participants who are, at the time of grant, employees of the Company within the meaning of the Code;
- (b) the aggregate fair market value (determined as of the time an ISO is granted) of the Common Shares subject to ISOs exercisable for the first time by a U.S. Participant during any calendar year under this Plan and all other stock option plans, within the meaning of Section 422 of the Code, of the Company shall not exceed One Hundred Thousand Dollars in U.S. funds (U.S.\$100,000);
- (c) the Exercise Price for Common Shares under each ISO granted to a U.S. Participant pursuant to this Plan shall be not less than Fair Market Value of such Common Shares at the time the Option is granted, as determined in good faith by the Committee at such time (unless such ISO is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code);
- (d) if any U.S. Participant to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of Voting Securities possessing more than ten percent (10%) of the total

combined voting power of all classes of shares of the Company, then the following special provisions shall be applicable to the ISO granted to such individual:

- (i) the Exercise Price (per Common Share) subject to such ISO shall not be less than one hundred ten percent (110%) of the Fair Market Value of one Common Share at the time of grant; and
 - (ii) for the purposes of this Section 15.1 only, the exercise period shall not exceed five (5) years from the date of grant;
- (e) an ISO cannot be transferred assigned, pledged or hypothecated or otherwise disposed of by the Participant except by will or the laws of descent and distribution;
 - (f) in the event that this Plan is not approved by the shareholders of the Corporation as required by Section 422 of the Code within twelve (12) months before or after the date of adoption of the Plan by the Board, ISOs granted under the Plan automatically will be deemed to be nonqualified stock options.
 - (g) no ISO may be granted hereunder to a U.S. Participant following the expiration of ten (10) years after the date on which this Plan is adopted by the Company or the date on which the Plan is approved by the shareholders of the Company, whichever is earlier;
 - (h) no ISO granted to a U.S. Participant under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of the Company; and
 - (i) the Corporation shall not be liable to any Participant or to any other person if it is determined that an Option intended to be an ISO does not qualify as an ISO.

Section 15.2 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Common Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made: (i) within two years from the date of grant of the ISO; or (ii) within one year after the date such person acquired the Common Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Committee and in accordance with procedures established by it, retain possession of any Common Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in clause (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Common Shares.

Section 15.3 Section 409A of the Code

- (a) This Plan and Awards will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be drafted, construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a Separation from Service, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly

or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Committee, in its discretion, may permit the acceleration of the time or schedule of payment of a U.S. Participant's vested Awards in the Plan that constitute "deferred compensation" subject to Section 409A of the Code under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Participant, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a Separation from Service may not be made prior to the date which is six months after the date of Separation from Service (or, if earlier, the date of death of the U.S. Participant). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such Separation from Service.

Section 15.4 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

Section 15.5 Application of Article 15 to U.S. Participants

For greater certainty, the provisions of this Article 15 shall only apply to U.S. Participants.

Article 16 TAX AND WITHHOLDING

Section 16.1 Withholding.

- (a) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments (including, for greater certainty, payments of Cash Equivalent) to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of such Participant) under the Plan shall be made net of applicable taxes and social security and other source deductions. The Board shall determine, in its sole discretion, the form of payment acceptable for such tax withholding obligations, including the delivery of cash or cash equivalents, Shares (including through delivery of previously owned Shares, net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of Shares otherwise issuable or delivered pursuant to the Award), other property, or any other legal consideration the Board deems appropriate.
- (b) Participants will be responsible for (and will indemnify the Company and any Affiliate in respect of) all taxes, social security contributions (including, if the terms of the Participant's Option Agreement so provides, and if lawful, employer social security contributions) and other liabilities arising out of

or in connection with any Award or the acquisition, holding or disposal of Shares. If the Company or any Affiliate or the trustee of any employee benefit trust has any liability to pay or account for any such tax or contribution, it may meet the liability by:

- (i) selling Shares to which the Participant becomes entitled on his behalf and using the proceeds to meet the liability;
 - (ii) deducting the amount of the liability from any cash payment due under this Plan;
 - (iii) reducing the number of Shares to which the Participant would otherwise be entitled; and/or
 - (iv) deducting the amount from any payment of salary, bonus or other payment due to the Participant.
- (c) A Canadian tax resident Participant shall not settle any tax or social security contributions, or other such liabilities, by the sale of Shares, acquired through a prior Award, to the Company.

Section 16.2 Acknowledgement.

With an Award Agreement, (i) Participant shall acknowledge and agree that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company; (ii) Participant shall further acknowledge that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of this Plan; and (b) does not commit to and is under no obligation to structure the terms of this Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result, and (iii) further, if Participant has become subject to tax in more than one jurisdiction, Participant shall acknowledge that the Company may be required to withhold or account for taxes in more than one jurisdiction.

Section 16.3 Participant's Tax Responsibility

It is the responsibility of the Participant to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of benefits derived from the exercise or settlement of an Award.

Article 17 SUCCESSORS

Any obligations of the Company or an Affiliate under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or Affiliate, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or Affiliate, as applicable.

Article 18 GENERAL PROVISIONS

Section 18.1 Forfeiture Events and Clawback.

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (a) a non-competition, non-solicitation, confidentiality or other restrictive covenant by

which he or she is bound, or (b) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other Person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 18.1.

Section 18.2 Cash Payments

Payment of cash to Participants on the redemption or vesting of any Awards may be made through the Company's payroll or in such other manner as determined by the Company.

Section 18.3 Legend.

The certificates for Common Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Common Shares.

Section 18.4 Delivery of Title.

The Company shall have no obligation to issue or deliver evidence of title for Common Shares issued under the Plan prior to:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) completion of any registration or other qualification of the Common Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

Section 18.5 Investment Representations.

The Committee may require each Participant receiving Common Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Common Shares for investment and without any present intention to sell or distribute such Common Shares.

Section 18.6 Uncertificated Common Shares.

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Common Shares, the transfer of such Common Shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of any applicable stock exchange.

Section 18.7 Unfunded Plan.

Participants shall have no right, title or interest whatsoever in or to any investments that the Company or an Affiliate may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or an Affiliate and any Participant, beneficiary, legal representative or any other person. Awards shall be general unsecured obligations of the Company, except that if an Affiliate executes an Award Agreement instead of the Company the Award shall be a general unsecured obligation of the Affiliate and not any obligation of the Company. To the extent that any individual

acquires a right to receive payments from the Company or an Affiliate, such right shall be no greater than the right of an unsecured general creditor of the Company or Affiliate, as applicable. All payments to be made hereunder shall be paid from the general funds of the Company or Affiliate, as applicable, and no special or separate fund (unless decided otherwise by the Company) shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

Section 18.8 No Fractional Common Shares.

No fractional Common Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Common Shares and any rights thereto shall be forfeited or otherwise eliminated.

Section 18.9 Other Compensation and Benefit Plans.

Nothing in this Plan shall be construed to limit the right of the Company or an Affiliate to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

Section 18.10 No Constraint on Corporate Action.

Nothing in this Plan shall be construed (i) to limit, impair or otherwise affect the Company's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or an Affiliate to take any action which such entity deems to be necessary or appropriate.

Section 18.11 Compliance with Canadian Securities Laws.

All Awards and the issuance of Common Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

**Article 19
LEGAL CONSTRUCTION**

Section 19.1 Gender and Number.

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

Section 19.2 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

Section 19.3 Severability.

In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

Section 19.4 Requirements of Law.

The granting of Awards and the issuance of Common Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or an Affiliate to be necessary for the lawful issuance and sale of any Common Shares hereunder, shall relieve the Company or Affiliate of any liability in respect of the failure to issue or sell such Common Shares as to which such requisite authority shall not have been obtained.

Section 19.5 Time of Essence

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

Section 19.6 Governing Law.

The Plan and each Award Agreement shall be governed by the laws of the Province of British Columbia excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

Section 19.7 Compliance with Section 409A of the Code.

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that this Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. This Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event," "disability," or "separation from service," as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under this Plan or any Award Agreement.
- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 19.7 will apply to a Participant who is subject to taxation under the ITA.

**SCHEDULE "A"
OPTION CERTIFICATE**

RAILTOWN CAPITAL CORP.

OMNIBUS EQUITY INCENTIVE PLAN

OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Railtown Capital Corp. (the "**Company**") Omnibus Equity Incentive plan (the "**Plan**") and evidences that [•] is the holder (the "**Optionee**") of an option (the "**Option**") to purchase common shares of the Company (the "**Common Shares**") subject to the terms and conditions set out herein.

Subject to the provisions of the Plan:

- (a) The Optionee may purchase up to [•] Common Shares pursuant to this Option, as and to the extent that the Option vests and becomes exercisable;
- (b) The exercise price of the Option is [•] per Common Share (the "Exercise Price");
- (c) the grant date of the Option is [•];
- (d) the expiry date of the Option is [•] (the "Expiry Date"); and
- (e) the Option shall vest in accordance with the following schedule:
 - (i) [•]; and
 - (ii) [•].

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the grant date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and (a) a certified cheque or bank draft payable to "Railtown Capital Corp." in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised or (b) if an alternative arrangement has been made with the Company (i.e. Cashless Exercise), notice of the election to exercise on such alternative basis.

This Certificate and the Option evidenced hereby are only assignable, transferable or negotiable in limited circumstance and are subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company will prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate will have the meanings given to them under the Plan.

Wherever possible, each provision of this Certificate shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Certificate is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Certificate shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

By acceptance of this Certificate, the Holder acknowledges receipt of the Plan and agrees hereby to become a party to and to be subject to the terms of the Plan.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the TSXV Policies) by both the Company and the TSXV as more particularly set out in the Acknowledgement - Personal Information in use by the TSXV on the date of the Plan.

This Certificate and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

This Certificate may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

This Agreement shall bind and enure to the benefit of the Optionee and the Company and their respective successors and permitted assigns.

[NTD: Disclosure of personal information]

Dated this [•] day of [•].

RAILTOWN CAPITAL CORP.

Per: _____
Administrator, Omnibus Equity Incentive Plan
Railtown Capital Corp.

[Insert Participant's Name]

**RAILTOWN CAPITAL CORP.
OMNIBUS EQUITY INCENTIVE PLAN
OPTION CERTIFICATE - SCHEDULE**

The additional terms and conditions attached to the Option represented by this Certificate are as follows:

1. [•]

RAILTOWN CAPITAL CORP.

Per:

Administrator, Omnibus Equity Incentive Plan
Railtown Capital Corp.

[Insert Participant's Name]

**SCHEDULE "B"
EXERCISE NOTICE**

RAILTOWN CAPITAL CORP.

EXERCISE NOTICE

TO: The Administrator, Omnibus Equity Incentive Plan
Railtown Capital Corp.
[Address]

The undersigned hereby irrevocably gives notice, pursuant to the Railtown Capital Corp. Omnibus Equity Incentive Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

Number of Common Shares: _____

Exercise Price (per Common Share) CAD\$ _____

Aggregate Purchase Price CAD\$ _____

Amount enclosed CAD\$ _____

Check here if alternative arrangements have been made with respect to Aggregate Purchase Price (i.e. Cashless Exercise) otherwise please contact the Company with details where the amount enclosed does not equal the Aggregate Purchase Price above

The undersigned tenders herewith a certified cheque or bank draft payable to "Railtown Capital Corp. " in an amount equal to the Aggregate Purchase Price of the aforesaid Common Shares and directs the Company to issue and deliver the certificate or statement evidencing said Common Shares as follows:

<u>Registration Instructions</u>	<u>Delivery Instructions</u>
_____	<input type="checkbox"/> Same as Registration Instructions
(Name)	OR
_____	_____
_____	_____
(Address)	(Address)

By executing this Exercise Notice the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice will have the meanings given to them under the Option Certificate.

DATED the _____ day of _____, _____.

Name of Optionee (Please Print)

Signature of Optionee

**SCHEDULE "C"
AWARD CERTIFICATE**

RAILTOWN CAPITAL CORP.

OMNIBUS EQUITY INCENTIVE PLAN

**[RESTRICTED SHARE UNIT / PERFORMANCE SHARE UNIT/
DEFERRED SHARE UNIT / STOCK APPRECIATION RIGHT]
AWARD CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Railtown Capital Corp. (the "**Company**") Omnibus Equity Incentive plan (the "**Plan**") and evidences that [•] is the holder (the "**Holder**") of an award (the "**Award**") issued pursuant to the Plan and subject to the terms and conditions set out herein.

Subject to the provisions of the Plan:

Your Grant:	[Details of Award to be Inserted]
Grant Price	[To be Inserted if Applicable]
Performance Goals:	[To be Inserted if Applicable]
Vesting Conditions:	[To be Inserted if Applicable]
Exercise Conditions:	[To be Inserted if Applicable]
Settlement Date:	[To be Inserted if Applicable]
Expiry Date:	[To be Inserted if Applicable]
Other Terms and Conditions:	[To be Inserted if Applicable]

The Award is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate will have the meanings given to them under the Plan.

This Certificate and the Award evidenced hereby are only assignable, transferable or negotiable in limited circumstance and are subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Holder hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company will prevail.

All terms not otherwise defined in this Certificate will have the meanings given to them under the Plan.

Wherever possible, each provision of this Certificate shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Certificate is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Certificate shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

By acceptance of this Certificate, the Holder acknowledges receipt of the Plan and agrees hereby to become a party to and to be subject to the terms of the Plan.

The Holder also acknowledges and consents to the collection and use of Personal Information (as defined in the TSXV Policies) by both the Company and the TSXV as more particularly set out in the Acknowledgement - Personal Information in use by the TSXV on the date of the Plan.

This Certificate and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

This Agreement shall bind and enure to the benefit of the Holder and the Company and their respective successors and permitted assigns.

Dated this [•] day of [•].

RAILTOWN CAPITAL CORP.

Per:

Administrator, Omnibus Equity Incentive Plan
Railtown Capital Corp.

[Insert Participant's Name]

RAILTOWN CAPITAL CORP.
OMNIBUS EQUITY INCENTIVE PLAN
AWARD CERTIFICATE - SCHEDULE

The additional terms and conditions attached to the Award represented by this Certificate are as follows:

1. **[•]**

RAILTOWN CAPITAL CORP.

Per:

Administrator, Omnibus Equity Incentive Plan
Railtown Capital Corp.

[Insert Participant's Name]