

ELYSEE

DEVELOPMENT CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD AT 10:00 a.m.
ON NOVEMBER 23, 2022
AT 2600 – 1066 WEST HASTINGS STREET
VANCOUVER, BRITISH COLUMBIA, V6E 3X1

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF THE SHAREHOLDERS OF ELYSEE DEVELOPMENT CORP.**

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Elysee Development Corp. (hereinafter called the “**Company**”), will be held at the offices of MLT Aikins LLP at 2600 – 1066 West Hastings Street, in the City of Vancouver, Province of British Columbia, on the 23rd day of November, 2022, at the hour of 10:00 a.m. (local time) for the purpose of:

1. receiving the auditor’s report and the audited financial statements of the Company for the fiscal year ended December 31, 2021;
2. fixing the number of Directors of the Company at four (4) and electing Directors for the ensuing year;
3. appointing Lancaster & David, Chartered Professional Accountants as the auditor of the Company for the ensuing year and authorizing the Directors to fix their remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of shareholders of the Company, in accordance with the requirements of the TSX Venture Exchange, confirming and approving the new omnibus equity incentive compensation plan; and
5. transacting such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information form in respect of the Meeting.

Your vote is important. Please exercise your right to vote by signing and returning the enclosed form of proxy to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Canada, M5J 2Y1. As described in the “Notice and Access” notification mailed to shareholders of the Company, the Company has opted to deliver its Meeting materials to shareholders by posting them on its website (www.elyseedevelopment.com). The Meeting materials will be available on the Company’s website on October 18, 2022 and will remain on the website for one year. The Meeting materials will also be available on SEDAR at www.sedar.com on October 18, 2022. Shareholders who wish to receive paper copies of the Meeting materials may request copies by sending an email to info@elyseedevelopment.com or by phoning (778) 373-1562. For shareholders who wish to receive paper copies of the Circular in advance of the voting deadline, requests must be received no later than November 9, 2022.

Non-registered shareholders who receive this Notice and Circular from their broker or other intermediary should complete and return the proxy or voting instruction form in accordance with the instructions provided with it. Failure to do so may result in the shares of the non-registered shareholders not being eligible to be voted at the Meeting.

DATED at Vancouver, British Columbia, this 6th day of October, 2022.

BY ORDER OF THE BOARD

“Stuart Rogers”

Stuart Rogers
President

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

The information contained in this Circular, unless otherwise indicated, is given as of October 6, 2022.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered or relied upon as not having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to herein shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

Information contained in this Circular should not be construed as legal, tax or financial advice. Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Circular.

CURRENCY

Unless otherwise indicated herein, references to “\$”, “C\$” or “Canadian dollars” are to Canadian dollars.

GENERAL PROXY INFORMATION

This Information Circular is provided in connection with the solicitation of proxies by the management of Elysee Development Corp. for use at the annual general and special meeting of the shareholders of the Company to be held on November 23, 2022, at the time and place and for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

APPOINTMENT AND REVOCATION OF PROXY

Registered Shareholders

Registered shareholders may vote their common shares in the capital of the Company (the “Common Shares”) by attending the Meeting in person or by completing the enclosed proxy. Registered shareholders should deliver their completed proxies to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 or by facsimile at 1-866-249-7775 or (416) 263-9524 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must**

insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.

A registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it to the head office of the Company, 9th Floor, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof;
- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by law.

Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name. Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans or other persons (any one of which is herein referred to as an "Intermediary") or otherwise not in their own name (such shareholders herein referred to as "Beneficial Shareholders") should note that only proxies deposited by shareholders appearing on the records maintained by the Company's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed, in accordance with the “notice and access” rules, the notice of meeting, this Information Circular and a request for voting instructions (a “VIF”), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the “**Meeting Materials**”) indirectly through Intermediaries to the NOBOs and OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs. The Company does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery.

Meeting Materials distributed to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder’s shares on the Beneficial Shareholder’s behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF 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 any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote Common Shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company’s shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company’s securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you and (ii)

executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

NOTICE AND ACCESS

The Company has decided to deliver its meeting materials to shareholders by posting them on its website at www.elyseedevelopment.com in accordance with the “notice and access” rules. The meeting materials will be available on the Company’s website on October 18, 2022 and will remain on the website for one year. The Circular will also be available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com on October 18, 2022.

The Company has decided to mail paper copies of the Circular to those registered and non-registered shareholders who had previously elected to receive paper copies of the Company’s meeting materials. All other shareholders will receive a “Notice and Access” notification which will contain information on how to obtain electronic and paper copies of the Circular in advance of the Meeting and for one year following the Meeting.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxy holder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares in the capital of the Company. On October 6, 2022 (the "**Record Date**"), the Company had 28,497,113 Common Shares outstanding and no preferred shares outstanding. All Common Shares in the capital of the Company are of the same class and each carries the right to one vote. Only those shareholders of record on the Record Date are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, no person is the registered holder of 10% or more of the Common Shares. To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular no person beneficially owns, directly or indirectly, or exercise control or direction over 10% or more of the Common Shares, other than Guido Cloetens who is the beneficial owner of 4,462,500 Common Shares representing 15.66% of the issued and outstanding Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Interpretation

For the purpose of this Executive Compensation Section, the terms below have the respective meanings ascribed thereto.

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

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

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

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

During the year ended December 31, 2021, the Company had three (3) NEOs, being Guido Cloetens (CEO and Chairman), Stuart Rogers (President), and Gordon Steblin (CFO).

Compensation Program Objectives

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

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is in the early stages of its business as an investment issuer and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

Purpose of the Compensation Program

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

Elements of Compensation Program

The executive compensation program consists of a combination of consulting fees, performance bonus and equity-based incentives.

Purpose of Each Element of the Executive Compensation Program

The consulting fees of a NEO are intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed consulting fee, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Bonuses are made by way of cash payments only, which payments are made at the end of the fiscal year.

Equity-based Awards (as defined herein) are generally awarded to NEOs on an annual basis based on performance measured against set objectives. The granting of Awards aligns NEOs' rewards with an increase in shareholder value over the long term. The use of Awards encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance

Compensation of the NEOs of the Company is reviewed annually by the Board, which approves the compensation of the NEOs. The Company does not presently have a compensation committee and the Company has not retained any compensation advisor or compensation consultant in respect of its compensation policies.

From time to time and at least once annually, the Board reviews the risks, if any, associated with the Company's compensation policies and practices at such time. Such a review occurred at the time of preparation of this Compensation Discussion & Analysis. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

The majority of the Company's executive compensation currently consists of Awards granted under the Existing Plan (as defined herein). Should the shareholders approve the New Plan at the Meeting, executive compensation may also include the following equity-based Awards: Options, RSUs, DSUs, PSUs and SARs. As of the date of the most recent financial year-end only Options are outstanding. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited.

The other two elements of compensation, consulting fees and performance bonuses, represent the remaining portion of an executive's total compensation. While neither salary nor bonus are "long term" or "at risk", as noted above, these components of compensation are not at a level of total compensation whereby an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board are able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

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

Compensation of the NEOs of the Company is reviewed annually by the Board, which approves the compensation of the NEOs.

Consulting Fees

Consulting fees for NEOs are expected to continue to be set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is to be given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also to be considered. The Company has not established performance goals for its NEOs.

Performance Bonuses

Each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Bonuses may be made by way of cash payments or the issuance of (performance) shares, which payments are made at the end of the fiscal year.

Equity Incentive Awards

The Company approved the 2016 Equity Incentive Plan (the "**Existing Plan**") on June 2, 2016 under which stock options ("**Options**") and restricted share units ("**RSUs**", which together may be referred to as "**Awards**") are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Existing Plan; determines the number of Awards granted to such individuals; and determines the date on which each Award is granted and the corresponding terms of such Award. The Board makes these determinations subject to the provisions of the Existing Plan and, where applicable, the policies of the Exchange.

Previous grants of Awards are taken into account when considering new grants.

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program. The granting of Awards has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company and its subsidiaries for services in all capacities to the Company during the three most recently completed financial years:

Name and principal position	Year	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁵⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Guido Cloetens <i>CEO and Chairman</i>	2021	112,500 ⁽²⁾	Nil	Nil	Nil	Nil	Nil	50,000 ⁽²⁾	162,500
	2020	93,000 ⁽²⁾	Nil	12,060 ⁽⁷⁾ 20,900 ⁽⁸⁾	Nil	Nil	Nil	120,000 ⁽²⁾	245,960
	2019 ⁽¹⁾	97,500 ⁽²⁾	Nil	9,150 ⁽⁶⁾	Nil	Nil	Nil	80,000 ⁽²⁾	186,650
Stuart Rogers <i>President and former CEO</i>	2021	60,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	15,000 ⁽³⁾	75,000
	2020	55,500 ⁽³⁾	Nil	6,030 ⁽⁷⁾ 10,450 ⁽⁸⁾	Nil	Nil	Nil	50,000 ⁽³⁾	121,980
	2019 ⁽¹⁾	65,000 ⁽³⁾	Nil	4,569 ⁽⁶⁾	Nil	Nil	Nil	25,000 ⁽³⁾	94,569
Gord Steblin, <i>CFO</i>	2021	60,000 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	25,000 ⁽⁴⁾	85,000
	2020	58,500 ⁽⁴⁾	Nil	6,030 ⁽⁷⁾ 10,450 ⁽⁸⁾	Nil	Nil	Nil	30,000 ⁽⁴⁾	104,980
	2019 ⁽¹⁾	65,000 ⁽⁴⁾	Nil	4,569 ⁽⁶⁾	Nil	Nil	Nil	15,000 ⁽⁴⁾	84,569

Note:

- (1) The Company changed its financial year end from November 30 to December 31. This year is for the thirteen month period ended December 31, 2019.
- (2) Management fees and bonuses paid to a company controlled by Mr. Cloetens.
- (3) Management fees and bonuses paid to a company controlled by Mr. Rogers.
- (4) Fees and bonuses paid to a company controlled by Mr. Steblin.
- (5) Performance bonus.
- (6) On August 30, 2019, the Company granted options to directors and officers with a calculated fair value of \$0.0915 per option using the Black Sholes Option Pricing Model.
- (7) On May 20, 2020, the Company granted options to directors and officers with a calculated fair value of \$0.0603 per option using the Black Sholes Option Pricing Model.
- (8) On September 18, 2020, the Company granted options to directors and officers with a calculated fair value of \$0.1045 per option using the Black Sholes Option Pricing Model.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Guido Cloetens <i>Chairman and CEO</i>	200,000	0.42	September 18, 2025	76,000	Nil	Nil
Stuart Rogers, <i>President and former CEO</i>	50,000 ⁽²⁾ 100,000 ⁽²⁾ 100,000 ⁽²⁾	0.35 0.31 0.42	August 30, 2022 May 20, 2023 September 18, 2025	22,500 49,000 38,000	Nil	Nil
Gord Steblin, <i>CFO</i>	50,000 100,000 100,000	0.35 0.31 0.42	August 30, 2022 May 20, 2023 September 18, 2025	22,500 49,000 38,000	Nil	Nil

Notes:

(1) Based on a closing price for the Common Shares of \$0.80 on December 31, 2021.

(2) These Options were issued to West Oak Capital Group, Inc., a private company owned by Stuart Rogers.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

There were no values vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Pension Plan Benefits – Defined Benefits Plan

The Company does not have a Defined Benefits Pension Plan.

Pension Plan Benefits – Defined Contribution

The Company does not have a Defined Contribution Pension Plan.

Termination and Change of Control Benefits

The Company has not entered into any agreements which provide for termination or change of control benefits.

Director Compensation

Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Company for the most recently completed financial year.

<i>Name</i>	<i>Fees earned (\$)</i>	<i>Share-based awards (\$)</i>	<i>Option-based awards (\$)</i>	<i>Non-equity incentive plan compensation (\$)</i>	<i>Pension value (\$)</i>	<i>All other compensation (\$)</i>	<i>Total (\$)</i>
Martin Burian	6,000	Nil		Nil	Nil	Nil	6,000
Gaston J. Reymenants	6,000	Nil		Nil	Nil	Nil	6,000

Share-Based Awards, Options-Based Awards and Non-Equity Incentive Plan Compensation

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Martin Burian	50,000 50,000 50,000	0.35 0.31 0.42	August 30, 2022 May 20, 2023 September 18, 2025	22,500 24,500 19,000	Nil	Nil
Gaston J. Reymenants	100,000 50,000 50,000	0.35 0.31 0.42	August 30, 2022 May 20, 2023 September 18, 2025	45,000 24,500 19,000	Nil	Nil

Note:

(1) Based on a closing price for the Common Shares of \$0.80 on December 31, 2021.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

There were no values vested with respect to option-based awards and share-based awards for the directors of the Company during the most recently completed financial year:

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

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⁾	1,050,000	\$0.37	3,194,794
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,050,000	\$0.37	3,194,794

Note:

(1) The New Plan is proposed to be a fixed 20% plan. See “Particulars of Matters to be Acted On – Summary of New Plan”.

CORPORATE GOVERNANCE

Board of Directors

At the Meeting, shareholders will be asked to approve an ordinary resolution setting the number of directors of the Board at four (4) directors, two (2) of whom will be independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”). A director is independent if he has no direct or indirect material relationship to the Company. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of the director’s independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Gaston J. Reymenants and Martin Burian will be considered to be independent directors. Guido Cloetens is not considered to be independent of his beneficial ownership of more than 10% of the Common Shares issued and outstanding and as he is management of the Company. Stuart Rogers is not considered to be independent as he is management of the Company.

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board’s responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. Directors are involved in the supervision of management.

Pursuant to the *Business Corporations Act* (Alberta), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board of Directors meet independently of management members when warranted. During the most recently completed financial year, the Board of Directors met five (5) times and all members of the Board were in attendance at each meeting. The independent directors met once without the non-independent members of the Board in attendance.

Other Directorships

The proposed directors of the Company are also directors of the following other reporting issuers:

Current Director / Nominee	Other Directorships of other Reporting Issuers
Guido Cloetens	Edgemont Gold Corp. Nanalysis Scientific Corp.
Stuart Rogers	Edgemont Gold Corp.
Martin Burian	Assure Holdings Corp. Nanalysis Scientific Corp.
Gaston J. Reymenants	Global Energy Metals Corporation

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for directors. However, if and when new directors are added, they have the opportunity to become familiar with the Company by meeting with other directors and with officers and employees of the Company. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each director. The Company's financial and legal advisers are also available to the Company's directors.

Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees for election to the Board of Directors. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members.

Compensation

The Board has not established a Compensation Committee. The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Board evaluates the performance of the Chief Executive Officer and other senior management in light of corporate goals and objectives and makes recommendations with respect to compensation levels based on such evaluations.

Other Board Committees

The Board has not established any committees other than the Audit Committee.

Assessments

There is no formal committee with the responsibility for assessing the effectiveness of the Board of Directors as a whole. The Board as a group regularly reviews its performance and assesses the effectiveness of the Board as a whole.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

General

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management that the Board have established.

Audit Committee Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Information Circular.

Composition

As the Common Shares are listed on the Exchange, it is categorized as a venture issuer. As a result, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) of NI 52-110.

Following the Meeting, the Audit Committee is expected to consist of the following three (3) directors. Also indicated is whether they are "independent" and "financially literate".

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Marin Burian	Yes	Yes
Guido Cloetens	No	Yes
Gaston J. Reymanants	Yes	Yes

Notes:

- (1) A member of the Audit Committee is independent if the member has no direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President, is deemed to have a material relationship with the Company.
- (2) A member of the Audit Committee is financially literate if he 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.

Relevant Education and Experience

All of the members and proposed members of the Audit Committee have gained their education and experience by participating in the management of private and publicly traded companies and all members are "financially literate", meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably expected to be raised by the Company's financial statements. The

education, current and past experience of each Audit Committee member and proposed member that is relevant to the performance of his responsibilities as an Audit Committee member is summarized below:

Name	Education and Experience
Martin Burian	Previously a Managing Director, investment banking at Haywood Securities Inc., and previously Chief Financial Officer of Tinkerine Studios Ltd. and Cap-Ex Iron Ore Ltd. Mr. Burian has held a Chartered Professional Accountant designation since 1990 and a Chartered Business Valuator designation since 1992. Mr. Burian is currently on the audit committee of two other publicly traded companies. In 2020 Mr. Burian completed and received the ICD.D designation from the Institute of Corporate Directors (Canada).
Guido Cloetens	He is a certified investment advisor (EHSAL Brussels) with a degree in corporate finance, investment and financial statement analysis. Mr. Cloetens has 33 years of experience in wealth management and institutional investing.
Gaston J. Reymenants	Mr. Reymenants graduated from the Universities of Brussels, Leuven and Antwerp in Economics, Industrial Marketing, International Law, and Foreign Languages. Mr. Reymenants worked for over 21 years with Falconbridge International in various managerial positions and was part of the joint venture with Norilsk Kombinat. Currently, Mr. Reymenants is a director of Global Energy Metals Corp.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services; however, as provided for in NI 52-110 the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

External Auditor Service Fees (By Category)

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾	Total Fees
December 31, 2021	\$45,549	Nil	Nil	Nil	\$45,549
December 31, 2020	\$35,427	Nil	Nil	Nil	\$35,427
December 31, 2019	\$30,366	Nil	\$3,500	Nil	\$33,866

Notes:

(1) The aggregate fees billed by the Company's auditor for audit fees.

- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110 because it is a venture issuer.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or executive officers of the Company or any subsidiary thereof, has more than "routine indebtedness" to the Company or any subsidiary thereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The board of directors of the Company (the "**Board**") currently consists of four (4) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at four (4).

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. **In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR the nominees listed in this Information Circular.** Management does not contemplate that any of such nominees will be unable to serve as directors; 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 proxy that his shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual Meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles or By-Laws of the Company.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of Common Shares and its subsidiaries which each beneficially owns directly or indirectly or over which control or direction is exercised as of the date of the notice of meeting:

Name, jurisdiction of residence and office held	Principal occupation in the last five years	Director since	Number of Common Shares beneficially owned
Guido Cloetens ⁽¹⁾ Belgium <i>Chief Executive Officer, Chairman and Director</i>	President of La Vérité BV since 1999; CEO of Lucato BV since January 2016.	July 10, 2012	4,462,500 shares (held indirectly by Lucato BV)
Stuart Rogers Coquitlam, British Columbia <i>President and Director</i>	President of West Oak Capital Group, Inc., a financial management and consultancy firm.	March 1, 2007	910,000 shares (held indirectly by West Oak Capital Group, Inc.)
Martin Burian, CPA, CA, CBV ⁽¹⁾ Vancouver, British Columbia <i>Director</i>	Managing Director, Investment Banking at RCI Capital Group Inc. and part-time CFO of Heffel Gallery Limited	June 12, 2013	522,000 shares
Gaston J. Reymenants ⁽¹⁾ Belgium <i>Director</i>	Mining Executive; a director (since January 2016) of Global Energy Metals Corp.; a director (from October 2010 to November 2020) of B&W Engineering gcv, a director (from January 2016 to April 2018) of InCor Technologies Ltd.	July 7, 2017	240,000 shares (150,000 held directly and 90,000 held indirectly by Socorp AN)

Note:

(1) Member of the Company's Audit Committee

The above information, including information as to Common Shares beneficially owned, has been provided by the respective directors individually.

Biographies of Directors

Guido Cloetens, *Chief Executive Officer, Chairman and Director* – Guido Cloetens is a certified investment advisor with a degree in Corporate Finance, Investment and Financial Statement Analysis. Mr. Cloetens worked in the banking industry from 1988 until 2012 as an investment advisor for institutional investors, family offices and wealthy individuals. Mr. Cloetens manages and has interests in several privately held companies in Europe and in the US and is a director of Edgemont Gold Corp. and Nanalysis Scientific Corp. He has been the Chairman of the Company since July 2012.

Stuart Rogers, *President and Director* – Mr. Rogers brings over 32 years of finance experience and is the President and founder of West Oak Capital Group, Inc., a privately held investment banking firm specializing in the early stage financing of projects through the junior capital markets in Canada and the United States and has served as a director of client companies listed on the TSX Venture Exchange (the “**Exchange**”), the Toronto Stock Exchange, NASDAQ

SmallCap Market and NASD OTC Bulletin Board. Mr. Rogers is the Chief Executive Officer and a director of Edgemont Gold Corp.

Martin Burian, *Director* – Mr. Burian has over 28 years of investment banking experience and was Managing Director, Investment Banking at Haywood Securities Inc. from 2010 until May 2013, prior to which he served as President of Bolder Investment Partners from 2009 until its merger with Haywood Securities in 2010. Mr. Burian obtained his Chartered Accountant and Chartered Business Valuator professional designations while at KPMG LLP where he advised on mergers, acquisitions and divestitures. Mr. Burian is now a director of two companies listed on the Exchange. He is also Managing Director of Investment Banking of RCI Capital Group Inc. a boutique mining focused advisory firm, and also acts as part-time CFO of Heffel Gallery Limited.

Gaston J. Reymenants, *Director* - Mr. Reymenants graduated from the Universities of Brussels, Leuven and Antwerp in Economics, Industrial Marketing, International Law, and Foreign Languages. Mr. Reymenants has had a distinguished career in mining, smelting, refining and metal trading spanning over 47 years, during which he was also responsible for the financing of several off-take projects in Australia, China and the Americas. Mr. Reymenants worked for over 20 years with Falconbridge International (now Glencore) in various managerial positions. Mr. Reymenants was the Managing Director of Kola International Murmansk, and held director and/or senior managerial positions with several companies with base metals, cobalt and gold and platinum metals assets, including Baja Mining, Polymet Mining, Candente Resources Peru, and Caledonia Mining – Nama Project Zambia. Currently, Mr. Reymenants is a non-executive director of Global Energy Metals Corp.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was the subject:
 - (A) of a cease trade order;
 - (B) an order similar to a cease trade order; or
 - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to:
 - (A) a cease trade order;
 - (B) an order similar to a cease trade order; or

- (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,

after the proposed director was acting in the capacity as director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information 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 Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (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 securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Appointment of Auditor

The management of the Company intends to nominate Lancaster & David, Chartered Professional Accountants of Vancouver, British Columbia for appointment as auditors of the Company. **Forms of proxy given pursuant to the solicitation of the management of the Company, will, on any poll, be voted as directed and, if there is no direction, be voted FOR the appointment of Lancaster & David, Chartered Professional Accountants of Vancouver, British Columbia at a remuneration to be fixed by the directors.** Effective October 6, 2022, Lancaster & David, Chartered Professional Accountants was appointed the Company's auditor by the Board. See Schedule "B" – Change of Auditor Reporting Package attached hereto.

Approval of New Omnibus Equity Incentive Plan

On June 2, 2016, the shareholders of the Company approved the Existing Plan, which provides a share related mechanism to attract, retain and motivate eligible directors, officers, employees and consultants, to reward such persons by the grant of equity incentive securities such as options for their contributions toward the long term goals of the Company, and to enable and encourage such persons to acquire Common Shares as a long term investment. A summary of the Existing Plan, which is qualified in its entirety by reference to the full text of the Existing Plan, is available in the Information Circular of the Company dated May 2, 2016, on SEDAR

under the heading “*Approval of Amended and Restated Equity Incentive Plan*”. A full copy of the Existing Plan is also available under the Company’s SEDAR profile at www.sedar.com.

The Company proposes to replace the Existing Plan with a new omnibus equity incentive plan (the “**New Plan**”) to provide for the flexibility to grant equity-based incentive awards in the form of stock options, restricted share units, deferred share units, performance share units and stock appreciation rights. A copy of the New Plan is attached hereto as Schedule “C” and is subject to the approval of the Exchange.

If the New Plan is approved by the shareholders at the Meeting and the Exchange, all existing grants of Awards under the Existing Plan are expected to be transitioned to, governed by and assumed under the New Plan.

Summary of New Plan

Purpose

The purpose of the New Plan is to, among other things: (i) provide the Company with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company, including its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the New Plan for their contributions toward the long-term goals and success of the Company, and (iii) enable and encourage such directors, officers, employees and consultants to acquire Common Shares as long-term investments in the Company.

The New Plan allows the Company to grant equity-based incentive awards in the form of incentive stock options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”), deferred share units (“**DSUs**”) and stock appreciation rights (“**SARs**”), as described in further detail below. The following is a summary of the New Plan, which is qualified in its entirety by the full text of the New Plan, a copy of which is attached hereto as Appendix C. In the case of conflict between this summary and the New Plan, the terms of the New Plan will govern.

Shares Subject to the New Plan

The New Plan is a “fixed” plan in that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), it provides that the aggregate maximum number of Common Shares that may be reserved for issuance under the New Plan (together with any other security based compensation plans of the Company in place from time to time), at any time, shall not exceed 5,699,422, being twenty percent (20%) of the Company’s issued and outstanding Common Shares as of October 6, 2022 (the effective date of the New Plan), (the “**Reserved Shares**”).

Subject to and assuming the approval of the adoption of the New Plan by shareholders of the Company, all future awards will be issued pursuant to and governed by the New Plan and no future awards will be issued pursuant to or governed by the terms of the Existing Plan. To the extent any awards under the New Plan or the Existing Plan are terminated or cancelled for any reason prior to exercise in full, the Common Shares subject to such awards (or any portion(s) thereof) shall be added back to the number of Common Shares reserved for issuance under the New Plan.

Insider Participation Limit

The New Plan provides that for so long as the Common Shares are listed and posted for trading on the Exchange, unless the Company has obtained disinterested shareholder approval, the aggregate number of Common Shares (a) issuable to Insiders (as defined in the New Plan) at any time (under all of the Company's security-based compensation arrangements, including the Existing Plan) cannot exceed ten (10%) percent of the Company's issued and outstanding Common Shares, and (b) issued to Insiders within any one-year period (under all of the Company's security-based compensation arrangements, including under the Existing Plan) cannot exceed ten (10%) percent of the Company's issued and outstanding Common Shares.

Furthermore, the New Plan provides that for so long as the Common Shares are listed and posted for trading on the Exchange, (a) not more than two (2%) percent of the Company's issued and outstanding Common Shares may be granted to any one consultant in any 12 month period, (b) investor relations service providers may not receive any awards other than options, (c) not more than an aggregate of two (2%) percent the Company's issued and outstanding Common Shares may be granted in aggregate pursuant to options to investor relations service providers in any 12 month period, (d) unless the Company has obtained disinterested shareholder approval, not more than five (5%) percent of the Company's issued and outstanding Common Shares may be issued to any one person in any 12 month period and (e) unless the Company has obtained disinterested shareholder approval, the Company shall not decrease the exercise price or extend the term of options previously granted to Insiders.

Except for so long as the Common Shares are listed and posted for trading on the Exchange, any Common Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the New Plan.

Administration of the New Plan

The Plan Administrator (as defined in the New Plan) is determined by the Board, and is initially the Board. The administration of the New Plan may in the future be delegated to a committee of the Board. The Plan Administrator, subject to the policies of the Exchange (as and if applicable), determines which directors, officers, consultants and employees are eligible to receive awards under the New Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the New Plan and may adopt administrative rules, regulations, procedures and guidelines governing the New Plan or any awards granted under the New Plan as it deems appropriate.

Eligibility

All directors, officers, *bona fide* consultants and employees are eligible to participate in the New Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the New Plan will be determined in the discretion of the Plan Administrator.

Types of Awards

Awards of Options, RSUs, PSUs, DSUs and SARs may be made under the New Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the New Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the New Plan and in accordance with applicable law and the policies of the Exchange (as and if applicable), the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

Options

An option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each option is granted, which exercise price must in all cases be not less than the Discounted Market Price (as defined in Policy 1.1 – *Interpretation* of the Exchange) for so long as the Common Shares are listed and posted for trading on the Exchange. Subject to any accelerated termination as set forth in the New Plan, each option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of options, subject to the restrictions in the New Plan relating to options granted to investor relations service providers. Once an option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Plan Administrator has the right to accelerate the date upon which any option (other than options held by investor relations service providers, which are subject to Exchange approval as and if applicable) becomes exercisable. The Plan Administrator may provide at the time of granting an option that the exercise of that option is subject to restrictions, in addition to those specified in the New Plan, such as vesting conditions relating to the attainment of specified performance goals.

An exercise notice must be accompanied by payment of the exercise price. To the extent permitted by and otherwise subject to the rules and policies of the Exchange, a participant may, in lieu of exercising an option pursuant to an exercise notice, elect to surrender such option to the Company (a “**Net Exercise**”) in consideration for an amount from the Company equal to (i) the Market Price (as defined in the New Plan) of the Common Shares issuable on the exercise of such option (or portion thereof) as of the date such option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Company indicating the number of options such participant wishes to exercise using the Net Exercise, and such other information that the Company may require. Subject to the provisions of the New Plan, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having an aggregate fair market value (based on the Market Price on the date of exercise) equal to the In-the-Money Amount. Any options surrendered in connection with a Net Exercise will not be added back to the number of Common Shares reserved for issuance under the New Plan.

Restricted Share Units

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the New Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the New Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs (including the elected amount, as applicable), as determined by the Plan Administrator, by (b) the greater of (i) the Discounted Market Price of a Common Share on the date of grant, or and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of Code, to the extent applicable, and further provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, no RSUs may vest before the date that is one year following the date of grant.

Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the New Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a participant’s employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the New Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, no PSUs may vest before the date that is one year following the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Common Share as at the settlement

date. Subject to the provisions of the New Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Deferred Share Units

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation paid by the Company to a eligible person in a calendar year for service that are to be payable in the form of DSUs. In addition, subject to the prior approval of the Plan Administrator, certain persons designated by the Plan Administrator are given, subject to the provisions of the New Plan, the right to elect to receive a portion of his or her compensation owing to them in the form of DSUs.

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, no DSUs may vest before the date that is one year following the date of grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation elected to be paid by the issuance of DSUs that are paid in DSUs, by (b) the Market Price of a Common Share on the date of grant or, for so long as the Shares are listed and posted for trading on the Exchange, the Discounted Market Price of a Share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested DSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the New Plan by the Company to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date.

Stock Appreciation Rights

A stock appreciation right is a right of a recipient to be paid compensation equivalent to an appreciation in the value of the Common Shares over a certain period of time. SARs entitle the holder to receive, Common Shares (or, at the election of the holder and subject to the approval of the Plan Administrator, a cash amount in respect thereof) in an amount equal to the difference in the fair market value of the Common Shares at the time of grant of such SARs and the Market Price of the Common Shares at a future date.

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of SARs, provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, no SARs may vest before the date that is one year following the date of grant. Upon vesting and at the time of settlement of SARs, holders of SARs shall be entitled to (a) a number of fully paid and non-assessable Common Shares, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator in its sole discretion, in each case, in an aggregate amount equal to the Market Price of the Common Shares at the time of settlement of the SARs minus the fair market value of the Common Shares as determined by the Plan Administrator at the time of grant, provided that such fair market value shall not be less than the minimum price permitted by applicable laws and the policies of the Exchange. For avoidance of doubt, any cash payments made under the New Plan by the Company to a participant in respect of SARs to be redeemed for cash shall

be calculated by multiplying the number of SARs to be redeemed for cash by the difference between the Market Price per Common Share as at the settlement date and the fair market value in respect of such SAR (as further described above) at the time of grant of such SAR.

Dividend Equivalents

Unless otherwise determined by the Plan Administrator, awards of RSUs, PSUs, DSUs and SARs shall be credited with dividend equivalents in the form of additional RSUs, PSUs, DSUs and SARs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs, PSUs, DSUs and SARs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places. For clarity, any dividend equivalents granted shall be included in calculating the limits prescribed by the New Plan. If the Company does not have a sufficient number of available Common Shares under the New Plan to grant such dividend equivalents, the Company shall make such dividend payment in cash.

Black-out Periods

If an award expires during a Blackout Period (as defined in the New Plan), then, notwithstanding any other provision of the New Plan, unless the delayed expiration would result in negative tax consequences to the holder of the award, the award shall expire ten business days after the Blackout Period is lifted by the Company; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information (as defined in the New Plan), and (ii) 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 applicable securities laws) in respect of the Company's securities.

Term

While the New Plan does not stipulate a specific term for awards granted thereunder, other than the options, which are subject to a maximum term of 10 years from the date of grant, subject to certain adjustments, as discussed below, shareholder approval is required to permit an option award to be exercisable beyond 10 years from its date of grant, except where an expiry date would have fallen within a Blackout Period of the Company. All awards must vest and settle in accordance with the provisions of the New Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the New Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, consulting agreement, award agreement or other written agreement and subject to applicable employment standards legislation or regulations applicable to the participant's employment or other engagement with the Company or any of its subsidiaries:

Event	Provisions
Resignation	<ul style="list-style-type: none"> Any unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the New Plan) shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Termination without Cause	<ul style="list-style-type: none"> Any vested awards may, subject to the terms of the New Plan be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Termination for Cause	<ul style="list-style-type: none"> Any vested and unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the New Plan) shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Disability	<ul style="list-style-type: none"> Any award held by the participant that has not vested as of the date of the Disability (as defined in the New Plan) shall continue to vest in accordance with its terms for a period of up to twelve (12) months (or such shorter period as may be determined by the Plan Administrator) and, if any such awards vest, shall be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the first anniversary of the date of the participant's disability, provided that with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of the participant's disability, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
Death	<ul style="list-style-type: none"> Any award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may, subject to the terms of the New Plan, be exercised, settled or surrendered to the

Event	Provisions
	<p>Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the first anniversary of the date of the death of that participant, provided that with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of death of such participant, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</p>
Retirement	<ul style="list-style-type: none"> • Any award held by the participant that has not vested as of the date of Retirement (as defined in the New Plan) shall continue to vest in accordance with its terms for a period of up to twelve (12) months (or such shorter period as may be determined by the Plan Administrator) and, if any such awards vest, shall be exercised, settled or surrendered by the Company to the participant provided that (a) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance; and (b) for so long as the Common Shares are listed and posted for trading on the Exchange, any such award shall expire within a reasonable period, not exceeding twelve (12) months from the Termination Date, following which the participant shall not be entitled to any damages or other amounts in respect of such expired awards. • Notwithstanding the foregoing, if, following his or her Retirement, the participant breaches the terms of any restrictive covenant in the participant's written or other applicable employment or other agreement with the Company or a subsidiary of the Company, any award held by the participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.

The Plan Administrator may, in its discretion, at any time prior to, or following the events listed above, or in an employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a individual receiving an award under the New Plan, permit the acceleration or vesting of any or all awards or waive termination of any or all awards, all in the manner and on the terms as may be authorized by the Plan Administrator; provided that, for so long as the Common Shares are listed and posted for trading on the Exchange, (a) no acceleration of the vesting of options granted to investor relations service providers is permitted without prior Exchange acceptance; and (b) no awards (other than options) may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to Exchange policies.

Change in Control

Subject to certain rules and restrictions of the Exchange, under the New Plan, except as may be set forth in an employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- If within 12 months following the completion of a transaction resulting in a Change in Control (as defined in the New Plan), a participant's employment, consultancy or directorship is terminated without Cause (as defined in the New Plan) or the participant resigns with Good Reason (as defined in the New Plan):
 - a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction, the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, which vested awards may be exercised, settled or surrendered to the Company by such participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, provided that with respect to any PSU held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards; and
 - any vested awards may, subject to the terms of the New Plan, be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
- Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the Exchange or any other exchange, the Company may terminate all of the awards, other than an option held by a Canadian Taxpayer (as defined in the New Plan) for the purposes of the Tax Act, granted under the New Plan at the time of, and subject to the completion of, the Change in Control transaction by paying to each holder an amount equal to the fair market value of his or her respective award (as determined by the Plan Administrator, acting reasonably) at or within a reasonable period of time following completion of such Change in Control transaction.

Non-Transferability of Awards

Subject to the policies of the Exchange, except as permitted by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon the death of a participant by will or as required by law, no assignment or transfer of awards granted under the New Plan, whether voluntary, involuntary, by operation of law or otherwise, is permitted.

Amendments to the New Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting shares, amend, modify, change, suspend or terminate the New Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the New Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the New Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements.

Notwithstanding the above, and subject to the rules of the Exchange, the approval of shareholders and/or disinterested shareholders may be required to effect any of the following amendments to the New Plan:

- (a) increasing the percentage of the Company's issued and outstanding Common Shares reserved for issuance under the New Plan, except pursuant to the provisions in the New Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to Insiders;
- (c) reducing the exercise price of an award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the New Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) extending the term of an option award beyond the original expiry date (except where an expiry date would have fallen within a Blackout Period applicable to the participant);
- (e) permitting an option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a Blackout Period);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person;
- (h) changing the eligible participants;
- (i) pertaining to a matter expressly subject to approval of the shareholders pursuant to the applicable rules of the Exchange; and
- (j) deleting or otherwise limiting the amendments which require approval of the shareholders.

Except for the items listed above, amendments to the New Plan will not require shareholder approval except as may be required by the policies of the Exchange. Such amendments include (but are not limited to): (a) making such amendments to clarify existing provisions of the New Plan that do not have the effect of altering the scope, nature and intent of the provisions of the New Plan; and (b) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

The Board believes it to be in the best interests of the Company to approve the New Plan and thereby recommends shareholders of the Company to approve the adoption of the New Plan by the Company. At the Meeting, shareholders of the Company will be asked to approve the following resolution, with or without variation, with respect to the adoption of the New Plan:

BE IT HEREBY RESOLVED as an ordinary resolution of the Company that:

1. the Company's new equity incentive plan (the "**New Plan**"), attached as Schedule "C" to the management information circular of the Company dated October 6, 2022, replacing the Company's existing stock option plan, is hereby approved, confirmed and ratified, subject to such amendments as the board may consider appropriate and subject to acceptance by the Exchange;
2. that number of common shares in the capital of the Company that are issuable pursuant to the New Plan are hereby allotted, set aside and reserved for issuance pursuant thereto;
3. any director or officer of the Company is hereby authorized to amend the New Plan should such amendments be required by applicable regulatory authorities including, but not limited to, the Exchange; and
4. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurance as in each director's or officer's opinion may be necessary or desirable to give effect to this resolution.

The affirmative vote of a majority of the votes cast in respect thereof is required in order to pass such resolution.

Management of the Company recommends that shareholders vote in favor of the resolution to approve the New Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the annual approval of the New Plan.

OTHER MATTERS

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

NORMAL COURSE ISSUER BID

With the approval of the TSXV, the Company commenced a normal course issuer bid (the “**Bid**”) on May 11, 2022 which will terminate on May 10, 2023 or such earlier time as the Bid is completed or at the option of the Company. Under the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,422,030 of its issued and outstanding Shares. The Bid will be conducted in accordance with applicable securities laws and the policies of the TSXV. During the year ended December 31, 2021, the Company purchased 50,000 Shares pursuant to the Bid at a weighted average price of \$0.70 per Share. Further purchases may be made on the open market through the facilities of the Exchange. Research Capital Corp. of Vancouver, British Columbia is conducting the Bid on behalf of the Company. The price which the Company will pay for any Common Shares purchased by it will be the prevailing market price of such Common Shares on the TSXV at the time of such purchase. During the previous 12 months, the Company purchased 125,000 of its Shares pursuant to a normal course issuer bid which expired on May 10, 2022 at a weighted average price per Share of \$0.66.

Shareholders may obtain, without charge, a copy of the “Notice of Intention to Make a Normal Course Issuer Bid” filed by the Company with the Exchange by contacting the Company as shown under “Additional Information” below.

ADDITIONAL INFORMATION

Additional information on the Company is available on the internet on SEDAR at www.sedar.com. Financial information is provided in the Company’s financial statements and management discussion and analysis which are available on SEDAR. The audited financial statements for the year ending December 31, 2021 together with the auditor’s report will be presented at the Meeting. You may request copies of the Company’s financial statements and management discussion and analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED as of October 6, 2022.

BY THE MANAGEMENT OF
ELYSEE DEVELOPMENT CORP.

“Stuart Rogers”

Stuart Rogers
President

Schedule A

**ELYSEE DEVELOPMENT CORP.
(the "Company")**

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 (the "Instrument"))

A. Composition and Process

1. The Audit Committee shall be composed of a minimum of three members of the Board of Directors, a majority of whom are not officers or employees of the Company or any of its affiliates (as defined in the Business Corporations Act (Alberta)).
2. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chairperson shall be appointed by the Board of Directors for a one-year term, and may serve any number of consecutive terms.
4. All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Company's financial statements.
5. The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
6. The Audit Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.
7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.
8. The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.
9. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.

10. The Audit Committee periodically reviews with management, depreciation and amortization, policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

B. Authority

1. Appointed by the Board of Directors pursuant to provisions of the *Business Corporations Act* (Alberta) and the bylaws of the Company.
2. Primary responsibility for the Company's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.
3. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
4. The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.
5. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
6. The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Company as directed by the Audit Committee.

C. Relationship with External Auditors

1. An external auditor must report directly to the Audit Committee.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. The Audit Committee is responsible for recommending to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issue and for determining the compensation of the external auditor.
4. The Audit Committee shall implement Structures and procedures to ensure that it meets with the external auditor on at least annually in the absence of management.

D. Accounting Systems, Internal Controls and Procedures

1. Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Company and its subsidiaries and affiliates.
2. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.
3. Direct the external auditor's examinations to particular areas.
4. Review control weaknesses identified by the external auditor, together with management's response.
5. Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
6. In order to preserve the independence of the external auditor the Audit Committee will:
 - a) recommend to the Board of Directors the external auditor to be nominated; and
 - b) recommend to the Board of Directors the compensation of the external auditor's engagement.
7. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.
8. Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
9. The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Company.
10. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
11. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

E. Statutory and Regulatory Responsibilities

1. Annual Financial Information - review the annual audited financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
2. Annual Report - review the management discussion and analysis (“**MD & A**”) section and all other relevant sections of the annual report to ensure consistency of all financial information included in the annual report.
3. Interim Financial Statements - review the quarterly interim financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.
4. Earnings Guidance/Forecasts - review forecasted financial information and forward looking statements.
5. Review the Company’s financial statements, MD & A and earnings press releases before the Company publicly discloses this information.

F. Reporting

1. Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
2. Report annually to the Board of Directors on the Audit Committee’s responsibilities and how it has discharged them.
3. Review the Audit Committee’s Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

G. Other Responsibilities

- (a) Investigating fraud, illegal acts or conflicts of interest.
- (b) Discussing selected issues with corporate counsel or the external auditor or management.

Schedule B

Change of Auditor Package

NOTICE OF CHANGE OF AUDITOR

To: Davidson & Company LLP
Lancaster & David, Chartered Professional Accountants

And To: British Columbia Securities Commission
Alberta Securities Commission

Re: **Elysee Development Corp. (the "Company")**

WE HEREBY PROVIDE NOTICE pursuant to section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* that:

- (a) Davidson & Company LLP ("**Davidson**") resigned as the Company's auditors effective October 6, 2022. The board of directors of the Company have determined to appoint Lancaster & David, Chartered Professional Accountants ("**Lancaster**") as the Company's auditors in place of Davidson and to propose Lancaster for appointment as the auditors of the Company at its next annual general meeting;
- (b) Davidson's resignation was mutually agreed upon by the Company and Davidson;
- (c) The resignation of Davidson and the appointment of Lancaster have been approved by the Company's board of directors;
- (d) There have been no reservations contained in Davidson's reports on any of the Company's financial statements relating to the period during which Davidson was the Company's auditor; and
- (e) There was no reportable events (as defined under 4.11(1) of NI 51-102.

DATED at Vancouver, British Columbia, this 6th day of October, 2022

ELYSEE DEVELOPMENT CORP.

By: "Stuart Rogers"
Name: Stuart Rogers
Title: President

October 7, 2022

British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

TSX Venture Exchange
P.O. Box 11633
Suite 2700 – 650 West Georgia Street
Vancouver, BC
V6B 4N9

Alberta Securities Commission
600, 250 – 5th Street S.W.
Calgary, AB
T2P 0R4

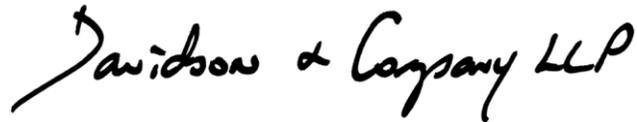
Dear Sirs / Mesdames

Re: Elysee Development Corp. (the "Company")
Notice Pursuant to NI 51 – 102 of Change of Auditor

In accordance with National Instrument 51-102, we have read the Company's Change of Auditor Notice dated October 6, 2022 and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the writer.

Yours very truly,



DAVIDSON & COMPANY LLP
Chartered Professional Accountants



LANCASTER & DAVID

CHARTERED PROFESSIONAL ACCOUNTANTS

October 7, 2022

British Columbia Securities Commission

PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

Alberta Securities Commission

600, 250 – 5th Street S.W.
Calgary, AB
T2P 0R4

Dear Sir/Madam

**RE: Elysee Development Corp. (the “Company”)
Notice Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“Notice”)**

As required by section 4.11 of National Instrument 51-102, we have reviewed the information contained in the Notice dated October 6, 2022, and based upon our knowledge of such information at this time, are in agreement with the information contained therein.

Yours truly,



**Lancaster & David,
Chartered Professional Accountants**

Schedule C

Omnibus Equity Incentive Plan



DEVELOPMENT CORP.

ELYSEE DEVELOPMENT CORP.

(the "Company")

Fixed Equity Incentive Plan

Dated for Reference October 6, 2022

**ARTICLE 1
PURPOSE**

1.1 Purpose

The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company by Participants through the acquisition of Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the policies of the Exchange and any inconsistencies between this Plan and policies of the Exchange will be resolved in favour of the latter.

**ARTICLE 2
INTERPRETATION**

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;

"**Associate**" has the meaning set forth in Policy 1.1;

"**Award**" means any Option, RSU, PSU, DSU or SAR granted under this Plan which may be denominated or settled in Shares or cash;

"**Award Agreement**" means a signed, written agreement between a Participant and the Company, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

"**Blackout Period**" means an interval of time formally imposed by the Company during which Participants are prohibited from trading any securities of the Company as a result of the bona fide existence of undisclosed Material Information from time to time, including pursuant to the Company's insider trading policy;

"**Board**" means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Awards under this Plan as it may be constituted from time to time;

"**Business Day**" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver, British Columbia are open for commercial business during normal banking hours;

"**Canadian Taxpayer**" means a Participant that is resident of Canada for purposes of the Tax Act;

"**Cash Fees**" has the meaning set forth in Subsection 7.1(a);

"**Cause**" means, with respect to a particular Participant:

- (a) "cause" (or any similar term) as such term is defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Employee;
- (b) in the event there is no written or other applicable employment or other agreement between the Company or a subsidiary of the Company or "cause" (or any similar term) is not defined in such agreement, "cause" as such term is defined in the Award Agreement; or
- (c) in the event neither (a) nor (b) apply, then "cause" as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may terminate an individual's employment without notice or pay in lieu thereof or other damages, or (ii) the Company or any subsidiary thereof may terminate the Participant's contract without notice or without pay in lieu thereof or other termination fee or damages, except, in each case, to the extent required under ESL, and provided that the failure by a Participant to meet performance targets or similar measures shall not, in and of itself, constitute cause for purposes of such termination of employment or contract;

"**Change in Control**" means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert (other than the Company or a subsidiary of the Company) hereafter acquires the direct or indirect "beneficial ownership" (as determined pursuant to the Securities Act) of, or acquires the right to exercise Control or direction over, securities of the Company representing more than 50% of the total voting power represented by the then issued and outstanding voting securities of the Company, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Company with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Company to a Person other than an Affiliate of the Company;
- (c) the dissolution or liquidation of the Company, other than in connection with the distribution of assets of the Company to one (1) or more Persons which were Affiliates of the Company prior to such event; or
- (d) the occurrence of a transaction requiring approval of the Company's shareholders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Company),

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clauses (a), (b), (c) or (d) above, the holders of securities of the Company that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Company hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Company in a transaction contemplated in clause (b) above) (the "**Surviving Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("**voting power**") of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has

beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, (any such transaction which satisfies all of the criteria specified above being referred to as a "**Non-Qualifying Transaction**" and, following the Non-Qualifying Transaction, references in this definition of "Change in Control" to the "Company" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "Board" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

"**Committee**" has the meaning set forth in Section 3.2(b);

"**Consultant**" has the meaning set forth in Policy 4.4;

"**Control**" means the relationship whereby a Person is considered to be "controlled" by a Person if:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and
- (d) the words "Controlled by", "Controlling" and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

"**Company**" means Elysee Development Corp., a corporation duly incorporated under the laws of the Province of British Columbia, and its Affiliates, if any, and as the context requires, and includes any successor or assignee entity or entities into which the Company may be merged, changed, or consolidated; any entity for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company;

"**Date of Grant**" means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

"**Deferred Share Unit**" or "**DSU**" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company in accordance with Article 7;

"**Director**" means a director of the Company or a subsidiary of the Company who is not an Employee;

"**Disabled**" or "**Disability**" means, with respect to a particular Participant:

- (a) "disabled" or "disability" (or any similar terms) as such terms are defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Company or a subsidiary of the Company, or "disabled" or "disability" (or any similar

terms) are not defined in such agreement, "disabled" or "disability" as such term are defined in the Award Agreement; or

- (c) in the event neither (a) or (b) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period and is expected to continue, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

"**Discounted Market Price**" has the meaning set forth in Policy 1.1;

"**Effective Date**" means the effective date of this Plan, being **October 6, 2022**;

"**Elected Amount**" has the meaning set forth in Subsection 7.1(a);

"**Electing Person**" means a Participant who is, on the applicable Election Date, designated by the Plan Administrator as an Electing Person pursuant to this Plan;

"**Election Date**" means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);

"**Election Notice**" has the meaning set forth in Subsection 7.1(b);

"**Employee**" has the meaning set forth in Policy 4.4;

"**ESL**" means the employment standards legislation, as amended or replaced, applicable to a Participant who is an Employee or Officer;

"**Exchange**" means the TSXV and any other exchange on which the Shares are or may be listed from time to time;

"**Exercise Notice**" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Option;

"**Exercise Price**" means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

"**Expiry Date**" means, in respect of Options, the expiry date specified in the Award Agreement for an Option (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

"**Good Reason**" means, with respect to a particular Participant:

- (a) "good reason" (or any similar term) as such term is defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Participant;
- (b) In the event there is no written or other applicable employment or other agreement between the Company or a subsidiary of the Company, or "good reason" is not defined in such agreement, "good reason" as such term is defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, the occurrence of any one or more of the following events without the Participant's prior written consent, which, if capable of being cured,

remains uncured by the Company within 30 days following receipt of written notice from the Participant specifying in reasonable detail the nature of such occurrence, which notice shall be provided by the Participant no later than 90 days after the occurrence of such event giving rise to the right to resign for Good Reason:

- (i) there is a material diminution in the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, excluding for this purpose any isolated, insubstantial or inadvertent actions not taken in bad faith and which are remedied by the Participant's employer promptly after receipt of notice thereof given by the Participant;
- (ii) the Participant's employer's reduction of the Participant's base salary, as the same may be increased from time to time, or the percentage on which any short-term incentive payment is based, as such terms are defined in the Participant's employment agreement, other than any across the board reduction of 10% or less which may be implemented by such employer in respect of its senior employees from time to time;
- (iii) the Participant's employer's reduction or elimination of benefits granted to the Participant in his or her employment agreement or granted to the Participant during his or her employment, save and except any change or elimination of any benefits due to a change in the benefit plan or provider, provided that the new benefits are substantially similar in the aggregate to the current benefits;
- (iv) a material change in the geographic location of the principal location of employment of the Participant, which shall, in any event, include only a relocation of such principal location by more than one hundred (100) kilometers from its existing location; or
- (v) the Participant's employer's material breach of the employment agreement between the Participant's employer and the Participant.

In order for a resignation to qualify as a resignation for "Good Reason" hereunder, the Participant must resign for such event no later than 90 days after the Company's cure period has expired. For greater certainty, "Good Reason" shall not include year-over-year variations in the amount of, or percentage entitlement to, if any, Awards awarded to the Participant based on the Company's and the Board's determination of achievement. In addition, "Good Reason" shall not include any change in title or reporting other than a change which would generally be considered to constitute a material demotion by the Participant's peers in the industry and "Good Reason" shall not include any change in the Participant's duties and responsibilities provided that such changes do not result in a material diminution of the scope or dignity of the Participant's overall duties and responsibilities;

"Insider" means an "insider" as defined in the rules of the Exchange from time to time;

"Investor Relations Service Provider" has the meaning ascribed to such term in Policy 4.4;

"Market Price" at any date in respect of the Shares shall be the volume weighted average trading price of the Shares on the Exchange, for the five (5) trading days immediately preceding the Date of Grant (or, if such Shares are not then listed and posted for trading on the Exchange, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;

"Material Information" has the meaning set forth in Policy 1.1;

"Net Exercise" has the meaning set forth in Subsection 4.6(b);

"**Officer**" means an Employee who is considered by the Company as an officer of the Company or a subsidiary of the Company;

"**Option**" means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

"**Option Shares**" means Shares issuable by the Company upon the exercise of outstanding Options;

"**Participant**" means a Director, Officer, Employee or Consultant to whom an Award has been granted under this Plan;

"**Participant's Employer**" means with respect to a Participant that is or was an Employee, the Company or such subsidiary of the Company as is or, if the Participant has ceased to be employed by the Company or such subsidiary of the Company, was the Participant's Employer;

"**Performance Goals**" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, a subsidiary of the Company, a division of the Company or a subsidiary of the Company, or an individual, or may be applied to the performance of the Company or a subsidiary of the Company relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

"**Performance Share Unit**" or "**PSU**" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company in accordance with Article 6;

"**Person**" means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

"**Plan**" means this Equity Incentive Plan, as may be amended from time to time;

"**Plan Administrator**" means the Person or Persons determined by the Board, which will initially be the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

"**Policy 1.1**" means the TSXV's Policy 1.1 – *Interpretation* as the same may be amended from time to time;

"**Policy 4.4**" means the TSXV's Policy 4.4 – *Security Based Compensation* as the same may be amended from time to time;

"**PSU Service Year**" has the meaning set forth in Section 6.1;

"**Restricted Share Unit**" or "**RSU**" means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company in accordance with Article 5;

"**Retirement**" means, with respect to a particular Participant:

- (a) "retirement" (or any similar term) as such term is defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Company or a subsidiary of the Company, or "retirement" is not defined in such agreement, "retirement" as such term is defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, the voluntary cessation of a Participant's employment with the Company, provided that, as at the Termination Date (i) the Participant's age is at

least sixty-five (65) and the Participant has at least ten years of service with the Company or a subsidiary of the Company, (ii) the Participant is not receiving or otherwise entitled to compensation in lieu of notice of termination, severance or similar payments, and (iii) the Participant has agreed in writing not to work for a competitor of the Company for a period of at least two (2) years following the Termination Date;

"**RSU Service Year**" has the meaning set forth in Section 5.1;

"**SAR Exercise Price**" has the meaning set forth in Section 8.3;

"**SAR Fair Market Value**" means, for the purpose of determining the SAR Exercise Price for any SAR, unless otherwise determined by the Plan Administrator in its discretion to the extent permitted by the policies of the Exchange, the greater of: (i) the Market Price on the day immediately prior to the date such SAR is granted; and (ii) the Discounted Market Price;

"**SAR Service Year**" has the meaning set forth in Section 8.1;

"**Securities Act**" means the *Securities Act* (British Columbia);

"**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Company or to which it is subject;

"**Share**" means one (1) common share in the capital of the Company as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

"**Stock Appreciation Right**" or "**SAR**" means a stock appreciation right granted to a Participant pursuant to the Plan in accordance with Article 8;

"**subsidiary**" means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Company has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;

"**Target Performance**" has the meaning given to it in Section 6.3;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Termination Date**" means, subject to applicable law which cannot be waived:

- (a) in the case of an Employee or Officer whose employment with the Company or a subsidiary of the Company terminates (regardless of whether the termination is lawful or unlawful, with or without Cause, and whether it is the Participant or the Company or a subsidiary of the Company that initiates the termination), the later of: (i) if and only to the extent required to comply with the minimum standards of ESL, the date that is the last day of any applicable minimum statutory notice period applicable to the Employee or Officer pursuant to ESL, if any; and (ii) the date designated by the Employee or Officer and such Participant's Employer as at the last day of such Employee's or Officer's employment, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and, for the avoidance of any doubt, the parties intend to displace the presumption that the Participant has any entitlements in respect of the Plan or any Options, RSUs, PSUs or DSUs during any period of reasonable notice of termination under common law or civil law in the case of either (i) or (ii), without regard to any applicable period of reasonable notice or contractual notice to which the Participant may claim to be entitled under common law, civil law or pursuant to contract in respect of a period that follows the last day that the Participant

actually and actively provides services to the Company or a subsidiary of the Company, as specified in the notice of termination provided by the Employee or Officer or the Participant's Employer, as the case may be;

- (b) in the case of a Consultant whose agreement or arrangement with the Company or a subsidiary of the Company terminates, (i) the date designated by the Company or the subsidiary of the Company, as the "Termination Date" (or similar term) or expiry date in a written agreement between the Consultant and the Company or a subsidiary of the Company, or (ii) if no such written agreement exists, the date designated by the Company or a subsidiary of the Company, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Company or the subsidiary of the Company, as the case may be, or on which the Participant's agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant's consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the "Termination Date" shall be determined without including any period of notice that the Company or the subsidiary of the Company (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
- (c) in the case of a Director, the date such individual ceases to be a Director, unless the individual continues to be a Participant in another capacity.

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

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

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as may be amended and the rules and regulations promulgated thereunder.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and *vice versa* and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to the terms herein, this Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, RSUs, PSUs, DSUs or SARs) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Company,including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.

- (b) To the extent permitted by applicable law, the Board may, from time to time, assume or delegate to any committee of the Board (the "**Committee**") all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Company or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Company and its subsidiaries, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Eligibility

All *bona fide* Directors, Officers, Employees and Consultants are eligible to participate in the Plan, subject to Section 10.1(g). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Officer, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Officer, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator. By his, her or its participation in the Plan, for so long as the Shares are listed and posted for trading on the Exchange, each of the Company and the Participant represents and warrants that the Participant is a *bona fide* Director, Officer, Employee and/or Consultant eligible to participate in the Plan pursuant to Policy 4.4.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Company is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Company in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) The aggregate number of Shares that may be reserved for issuance under this Plan, at any time, shall not exceed **5,699,422**, being 20% of the issued and outstanding Shares of the Company on the Effective Date on a non-diluted basis.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered to the Company by the Participant, except surrenders relating to the payment of the purchase price of any such Award or the satisfaction of the tax withholding obligations related to any such Award, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce

the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan, the granting of Awards shall be subject to the following conditions:

- (a) for so long as the Shares are listed and posted for trading on the TSXV, not more than two (2%) percent of the Company's issued and outstanding Shares may be granted to any one Consultant in any 12 month period;
- (b) for so long as the Shares are listed and posted for trading on the TSXV, not more than an aggregate of two (2%) percent the Company's issued and outstanding Shares may be granted in aggregate to Investor Relations Service Providers in any 12 month period;
- (c) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, not more than five (5%) percent of the Company's issued and outstanding Shares may be issued to any one Person in any 12 month period;
- (d) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, the Company shall not decrease the Exercise Price or extend the term of Options previously granted to Insiders;
- (e) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, the aggregate number of Shares issuable to Insiders at any time under this Plan, shall not exceed ten (10%) percent of the Company's issued and outstanding Shares;
- (f) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, the aggregate number of Shares issuable to Insiders within any one (1) year period under this Plan shall not exceed ten (10%) percent of the Company's issued and outstanding Shares;
- (g) for so long as the Shares are listed and posted for trading on the TSXV, no types of Awards other than Options may be granted to Investor Relations Service Providers; and
- (h) the Plan Administrator shall not grant any Awards that may be denominated or settled in Shares to residents of the United States unless such Awards and the 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.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting, excluding votes attaching to shares beneficially owned by: (i) Insiders to whom Awards may be granted under the Plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

3.8 Hold Period

All Awards and any Shares issued on the exercise of Awards may be subject to and legended with a four month hold period commencing on the date the Awards were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Awards may be subject to resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

3.9 Awards Granted to Corporations

Except in relation to a Consultant that is a corporation, Awards may only be granted to an individual or a corporation that is wholly-owned a Director, Officer, Employee or Consultant. For so long as the Shares are listed and posted for trading on the TSXV, if a corporation is a Participant receiving Awards, it must provide the TSXV with a completed *Certification and Undertaking Required from a Company Granted Security Based Compensation* in the form of Schedule "A" to TSXV Form 4G – *Summary Form – Security Based Compensation*. The Company must agree not to effect or permit any transfer of ownership or option of shares of the Company nor to issue further shares of any class in the Company to any other individual or entity as long as the Award remains outstanding, except with the written consent of the Exchange.

3.10 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Award Agreement to each Participant granted an Award pursuant to this Plan.

3.11 Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death. Notwithstanding the foregoing, no Awards shall be assignable or transferable except in accordance with the policies of the Exchange.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Director, Officer, Employee or Consultant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement. Notwithstanding any of the foregoing provisions, the Plan Administrator may authorize the grant of an Option to a person not then in the employ of the Company or of its subsidiary, conditioned upon such person becoming a Director, Officer, Employee or Consultant at or prior to the Date of Grant of such Option.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, provided that, for so long as the Shares are listed and posted for trading on the TSXV, the Exercise Price must in all cases be not less than the Discounted Market Price on the Date of Grant.

4.3 Term of Options

- (a) Subject to any accelerated vesting or termination as set forth in this Plan, each Option expires on its Expiry Date, which may not be later than the close of business ten (10) years from the Date of Grant.

- (b) Upon the Expiry Date, the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

4.4 Vesting

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Notwithstanding the foregoing, all Options granted to Investor Relations Service Providers pursuant to this Plan shall vest and become fully exercisable as follows or as determined by the Plan Administrator when the Option is granted, but in any event, such Options shall not vest any 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.
- (c) Notwithstanding anything to the contrary in the Plan, no more than one quarter ($\frac{1}{4}$) of such Options granted to Investor Relations Service Providers may vest in any three month period.

4.5 Exercisability

- (a) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, consulting agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. Notwithstanding the foregoing, no Options held by Investor Relations Service Providers may be accelerated without the prior written approval of the Exchange.
- (b) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Company.
- (c) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.6 Payment of Exercise Price

- (a) The Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid 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 Plan Administrator, which, to the extent permitted by and otherwise subject to the

rules and policies of the Exchange, may include (i) through an arrangement with a broker approved by the Company (or through an arrangement directly with the Company) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the Net Exercise process set out in Section 4.6(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.

- (b) A Participant, other than an Investor Relations Service Provider, may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Company (a "**Net Exercise**") in consideration for an amount from the Company equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares, (the "**In-the-Money Amount**") by written notice to the Company indicating the number of Options such Participant wishes to exercise using the Net Exercise, and such other information that the Company may require. Subject to Section 9.3, the Company shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having an aggregate fair market value (based on the Market Price on the date of exercise) equal to the In-the-Money Amount. Any Options surrendered in connection with a Net Exercise will not be added back to the number of Shares reserved for issuance under this Plan. No Shares will be issued or transferred until full payment therefor has been received by the Company.
- (c) If a Participant surrenders Options through a Net Exercise pursuant to Section 4.6(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the Tax Act in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Company will cause such election to be so made and filed (and such other procedures to be so undertaken).

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the "**RSU Service Year**"). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any payment that is to be paid in RSUs (including the elected amount as applicable), as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price of a Share on the Date of Grant, and for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price of a Share on the Date of Grant, and (B) such amount as determined by the Plan Administrator in its discretion.

5.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Company, as of the Date of Grant.

5.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no RSUs may vest before the date that is one year following the Date of Grant.

5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs. Except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:
 - (i) one (1) fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 5.4 by the Company to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Company's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.
- (e) No RSU holder who is resident in the United States may settle RSUs for Shares unless the Shares issuable upon settlement of the RSUs 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 6 PERFORMANCE SHARE UNITS

6.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the "**PSU Service Year**"). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

6.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a Participant's employment and the amount of

any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

6.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. 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 Plan Administrator. The Plan Administrator 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) ("**Target Performance**"), 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.

6.4 PSU Account

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Company, as of the Date of Grant.

6.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no PSUs may vest before the date that is one year following the Date of Grant.

6.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs. Except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct;
 - (ii) a cash payment; or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 6.6 by the Company to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share; as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Company's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan Except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.

- (e) No PSU holder who is resident in the United States may settle PSUs for Shares unless the Shares issuable upon settlement of the PSUs 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

7.1 Granting of DSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, determine that a portion of the compensation payable to a Participant be payable in the form of DSUs. Additionally, subject to the prior approval of the Plan Administrator, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The "**Elected Amount**" shall be an amount, as elected by the Electing Person, in accordance with applicable tax law, between 0% and 100% of any compensation that would otherwise be paid in cash (the "**Cash Fees**").
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule A hereto (the "**Election Notice**") with the Chief Financial Officer of the Company: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply (other than for compensation payable for the 2022 financial year, in which case any Electing Person shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly designated Electing Person, within 30 days of such designation with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the designation of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Company a termination notice in the form of Schedule B hereto. Such termination shall be effective immediately upon receipt of such notice, provided that the Company has not imposed a Blackout Period. Thereafter, any portion of such Electing Person's Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered.
- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of any compensation that is to

be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant, or for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price of a Share on the Date of Grant.

- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

7.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Company, as of the Date of Grant. The terms and conditions of each DSU grant may be evidenced by an Award Agreement.

7.3 Vesting of DSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no DSUs may vest before the date that is one year following the Date of Grant.

7.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, the settlement date shall be the date determined by the Participant; provided that, in the case of a Participant who is a Canadian Taxpayer, the settlement date shall be no earlier than the date on which the Participant ceases to be a Participant and no later than the last Business Day of the immediately following calendar year. On the settlement date for any DSU, the Participant shall redeem each vested DSU for:
 - (i) one (1) fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct;
 - (ii) a cash payment; or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 7.4 by the Company to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Company's payroll or in such other manner as determined by the Company.
- (d) No DSU **holder** who is resident in the United States may settle DSUs for Shares unless the Shares issuable upon settlement of the DSUs 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.

7.5 No Additional Amount or Benefit

For greater certainty, neither a Participant to whom DSUs are granted nor any person with whom such Participant does not deal at arm's length (for purposes of the Tax Act) shall be entitled, 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 to which the DSUs relate.

ARTICLE 8 STOCK APPRECIATION RIGHTS

8.1 Granting of SARs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant SARs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the "**SAR Service Year**"). The terms and conditions of each SAR grant shall be evidenced by an Award Agreement. Each SAR will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 8.4(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

8.2 Vesting of SARs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of SARs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no SARs may vest before the date that is one year following the Date of Grant.

8.3 SAR Exercise Price

The exercise price per Share under each SAR (the "**SAR Exercise Price**") shall be the fair market value of the Shares, expressed in terms of money, as determined by the Plan Administrator, in its sole discretion, provided that such price may not be less than the SAR Fair Market Value or such other minimum price as may be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange.

8.4 Settlement of SARs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of SARs. Except as otherwise provided in an Award Agreement, on the settlement date for any SAR, the Participant shall redeem each vested SAR for:
- (i) that number or fraction of fully paid and non-assessable Shares issued from treasury to the Participant or as the Participant may direct as is equal to a fraction, the numerator of which is the Market Price minus the SAR Exercise Price and the denominator of which is the Market Price,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,
- in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 8.4 by the Company to a Participant in respect of SARs to be redeemed for cash shall be calculated by multiplying the number of

Shares issuable on settlement of the SARs pursuant to Section 8.4(a) in respect of SARs to be redeemed for cash by the Market Price per Share as at the settlement date.

- (c) Payment of cash to Participants on the redemption of vested SARs may be made through the Company's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan and except as otherwise provided in an Award Agreement, no settlement date for any SAR shall occur, and no Share shall be issued or cash payment shall be made in respect of any SAR, under this Section 8.4 any later than the final Business Day of the third calendar year following the applicable SAR Service Year.
- (e) No SAR holder who is resident in the United States may settle SARs for Shares unless the Shares issuable upon settlement of the SARs 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 ADDITIONAL AWARD TERMS

9.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, an Award of RSUs, PSUs, DSUs and SARs shall include the right for such RSUs, PSUs, DSUs and SARs to be credited with dividend equivalents in the form of additional RSUs, PSUs, DSUs and SARs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs, DSUs and SARs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs, DSUs and SARs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, 7.4 and 8.4 respectively.
- (b) The foregoing does not obligate the Company to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.
- (c) Notwithstanding any other term herein, and for so long as the Shares are listed and/or posted for trading on the Exchange, subject to compliance with the policies of the Exchange, (i) no dividends equivalents may be credited in the form of additional RSUs, PSUs, DSUs and SARs in the event such additional issuances shall exceed any of the limits set out in this Plan; and (ii) the Company may elect to pay any and all dividends in cash at any time in its sole discretion.

9.2 Blackout Period

If an Award expires during a routine or special trading Blackout Period, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in negative tax consequences, the Award shall expire ten (10) Business Days after the Blackout Period is lifted by the Company; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (ii) 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 applicable securities laws) in respect of the Company's securities.

9.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Company the minimum amount as the Company or a subsidiary of the Company is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Company or a subsidiary of the Company, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Company or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Company or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Company of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

9.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Company or the relevant subsidiary of the Company, or as set out in the Participant's employment agreement, consulting agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 9.4 to any Participant or category of Participants.

ARTICLE 10 TERMINATION OF EMPLOYMENT OR SERVICES

10.1 Termination of Officer, Employee, Consultant or Director

Subject to Section 10.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, consulting agreement, Award Agreement or other written agreement, and, in all cases, provided that, for so long as the Shares are listed and/or posted for trading on the Exchange, subject to compliance with the policies of the Exchange:

- (a) where a Participant's employment, consulting or other agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant (whether such resignation is with or without Good Reason, but excluding a Retirement), termination by the Company or a subsidiary of the Company without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then, subject to applicable law that cannot be waived by the Participant:
 - (i) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards; and
 - (ii) each Award held by a Participant that has vested may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, settled or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled

for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;

- (b) where a Participant's employment, consulting or other agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of termination by the Company or a subsidiary of the Company for Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then, subject to applicable law that cannot be waived by the Participant each Award held by the Participant (whether or not such Award has vested as of the Termination Date) is immediately forfeited and cancelled as of the Termination Date for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;
- (c) where a Participant's employment, consulting or other agreement or arrangement is terminated by reason of the death of the Participant, then each Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may, subject to Sections 5.4(d), 6.6(d) and 8.4(d) (where applicable), be exercised, settled or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (i) the Expiry Date of such Award, and (ii) the first anniversary of the date of the death of such Participant provided that with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the date of death of such Participant, if the applicable performance period has been completed and the Company can determine if the Performance Goals have been attained, failing which the Company will assume Target Performance. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;
- (d) where a Participant becomes Disabled, then each Award held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms for a period of up to twelve (12) months (or such shorter period as may be determined by the Plan Administrator), and, if any such Awards vest, shall be exercised, settled or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (i) the Expiry Date of such Award, and (ii) the first anniversary of the date such Participant became Disabled provided that with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the Performance Goals have been attained, failing which the Company will assume Target Performance. Any Award that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period;
- (e) where a Participant's employment, consulting or other agreement or arrangement is terminated due to Retirement, then each Award held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms for a period of up to twelve (12) months (or such shorter period as may be determined by the Plan Administrator), and, if any such Awards vest, shall be exercised, settled or surrendered to the Company by the Participant in accordance with this Plan; provided that with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the Performance Goals have been attained, failing which the Company will assume Target Performance. Notwithstanding the foregoing, if, following his or her Retirement, the Participant breaches the terms of any restrictive covenant in the Participant's written or other applicable employment or other agreement with the Company

or a subsidiary of the Company, any Award held by the Participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards.

- (f) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of the earliest of the following:
 - (i) the Termination Date; or
 - (ii) the date of the death, Disability, Retirement or the date notice is given of the resignation of the Participant; and
- (g) notwithstanding Subsection 10.1(a) and 10.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Company or a subsidiary of the Company for so long as the Participant continues to be a Director, Officer, Employee or Consultant, as applicable, of the Company or a subsidiary of the Company.

10.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 10.1, and for so long as the Shares are listed and/or posted for trading on the Exchange, subject to compliance with the policies of the Exchange, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

ARTICLE 11 EVENTS AFFECTING THE COMPANY

11.1 General

The existence of any Awards does not affect in any way the right or power of the Company or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Company's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Company, to create or issue any bonds, debentures, Shares or other securities of the Company or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder.

11.2 Change in Control

Except as may be set forth in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant, and, for so long as the Shares are listed and/or posted for trading on the Exchange, subject to compliance with the policies of the Exchange (including, if so required, the prior approval of the Exchange):

- (a) Notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change

in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment); (iv) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 11.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 11.2(a)) any property in connection with a Change in Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Company or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Company, as applicable, at the time such rights are issued or granted.

- (b) Notwithstanding Section 10.1, and except as otherwise provided in a written employment or other agreement between the Company or a subsidiary of the Company and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Company or a subsidiary of the Company without Cause or the Participant resigns with Good Reason:
- (i) a portion of any unvested Awards shall immediately vest, such portion to be equal to the number of unvested Awards held by the Participant as of the Termination Date multiplied by a fraction, the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date any unvested Awards were originally scheduled to vest, which vested Awards may be exercised, settled or surrendered to the Company by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the Performance Goals have been attained, failing which the Company will assume Target Performance; and
- (ii) any vested Awards of Participants may, subject to Sections 5.4(d), 6.6(d) and 8.4(d) (where applicable), be exercised, settled or surrendered to the Company by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, with any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards.
- (c) Notwithstanding Section 11.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Company may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the

time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, at or within a reasonable period of time following completion of such Change in Control transaction.

11.3 Reorganization of Company's Capital

Should the Company effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Company that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.4 Other Events Affecting the Company

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Company and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired on the vesting of outstanding Awards or by reference to which such Awards may be settled (as applicable), and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

11.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 11.3 and 11.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 11.3 and 11.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards, in all cases subject to compliance with the policies of the Exchange (including, if so required, the prior approval of the Exchange) for so long as the Shares are listed and/or posted for trading on the Exchange.

11.6 Issue by Company of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Company of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

11.7 Fractions

No fractional Shares will be issued pursuant to an Award and all fractions will be rounded down to the nearest whole number of Shares. Accordingly, if, as a result of any adjustment under this Article 11, a dividend equivalent or otherwise, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 12
AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Company amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements.

12.2 Shareholder Approval

Notwithstanding Section 12.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:

- (a) increases the percentage of the Company's issued and outstanding Shares from time to time that can be reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsections 3.7(e) and 3.7(f);
- (c) reduces the exercise price of an Award (for this purpose, a cancellation or termination of an Award of a Participant prior to its Expiry Date for the purpose of reissuing an Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) extends the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a Blackout Period applicable to the Participant);
- (e) permits an Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a Blackout Period of the Company);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person;
- (h) changes the eligible participants of the Plan;
- (i) is a matter expressly subject to approval of the holders of Shares pursuant to the applicable rules of the Exchange; or
- (j) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2.

12.3 Permitted Amendments

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 10;
- (c) making any amendments to add covenants of the Company for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors,

provided that, for so long as the Shares are listed and posted for trading on the TSXV, shareholder approval shall be required for the amendments noted in sections (a) through (d) above if so required by Exchange policies;

- (e) making such amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of the provisions of the Plan; or
- (f) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 13 MISCELLANEOUS

13.1 Legal Requirement

The Company is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Company of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

13.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

13.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Officer, Consultant or Director. No

Participant has any rights as a shareholder of the Company in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

13.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Company from taking corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

13.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Company or a subsidiary of the Company, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail. Notwithstanding any other term, in the event of any conflict between the provisions of this Plan, an Award Agreement and/or any employment agreement, on the one hand, and: (i) for so long as the Shares are listed and posted for trading on the Exchange, the policies of the Exchange, on the other hand, the provisions of the policies of the Exchange shall prevail; and (ii) applicable laws, on the other hand, the provisions of applicable laws shall prevail.

13.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

13.7 Participant Information

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

13.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Company to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Company does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

13.9 International Participants

With respect to Participants who reside or work outside Canada, the Plan Administrator may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions. Notwithstanding the foregoing, for so long as the Shares and posted for

trading on the Exchange, any such amendments and/or modifications shall be subject to the policies and approval of the Exchange and/or shareholders of Company, if and as required.

13.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and its subsidiaries.

13.11 General Restrictions or Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator, and for so long as the Shares and posted for trading on the Exchange, subject to the policies and approval of the Exchange (where required).

13.12 Severability

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

13.13 Rights to Compensation or Damages

The Plan displaces any and all common law and civil law rights the Participant may have or claim to have in respect of any Awards, including any right to damages. The foregoing shall apply, regardless of: (i) the reason for the termination of the Participant's employment, term of office or service arrangement; (ii) whether such termination is lawful or unlawful, with or without Cause or Good Reason; (iii) whether it is the Participant or the Company or a subsidiary of the Company that initiates the termination; and (iv) any fundamental changes, over time, to the terms and conditions applicable to the Participant's employment, term of office or service arrangement.

13.14 Notices

All written notices to be given by a Participant to the Company shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Elysee Development Corp.
9th Floor – 1021 West Hastings Street
Vancouver, British Columbia
V6E 0C3

Attention: Stuart Rogers, President

All notices to a Participant will be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Company is not binding on the recipient thereof until received.

13.15 Effective Date

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Company.

13.16 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

13.17 Submission to Jurisdiction

The Company and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

SCHEDULE A

**ELYSEE DEVELOPMENT CORP.
FIXED EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive ____% of my Cash Fees in the form of DSUs.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Company will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Company and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE B

**ELYSEE DEVELOPMENT CORP.
FIXED EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.