

BLACK IRON INC.

**MANAGEMENT INFORMATION CIRCULAR
APRIL 26, 2024**

INFORMATION REGARDING CONDUCT OF MEETING

Solicitation of Proxies

This management information circular (“Circular”) is furnished in connection with the solicitation by the management of Black Iron Inc. (“Black Iron” or the “Company”) of proxies to be used at the annual and special meeting (the “Meeting”) of holders of common shares (“Shareholders”) of the Company to be held at 10:00 a.m. (Toronto time) on June 4, 2024, and at any postponement(s) or adjournment(s) thereof for the purposes set forth in the accompanying notice of meeting (“Notice of Meeting”). References in this Circular to the “Meeting” include references to any postponement(s) or adjournment(s) thereof. It is expected that the solicitation will be primarily by mail but proxies may also be solicited through other means by employees, consultants and agents of the Company. The Company will bear the costs of solicitation.

Shareholders and/or their appointees may participate in the Meeting by way of conference call however votes cannot be cast on the conference call. Please register at <https://us02web.zoom.us/meeting/register/tZAqc-Gtrj4jEtx8Pkf7XizOatRIEJx0iuZT> to receive conference call details.

The board of directors of the Company (the “Board”) has by resolution fixed the close of business on April 25, 2024, as the record date for the meeting (the “Record Date”) being the date for the determination of the registered Shareholders entitled to notice of and to vote at the Meeting and any postponement(s) or adjournment(s) thereof. The Board has by resolution fixed 10:00 a.m. (Toronto time) on May 31, 2024 or 48 hours (excluding Saturdays, Sundays and holidays) before any postponement(s) or adjournment(s) of the Meeting, as the time by which proxies to be used or acted upon at the Meeting or any postponement(s) or adjournment(s) thereof shall be deposited with the Company’s transfer agent.

The Company shall make a list of all persons who are registered Shareholders on the Record Date and the number of common shares of the Company (the “Common Shares”) registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his or her name as it appears on the list.

Unless otherwise stated, the information contained in this Circular is as of the date hereof. This Circular contains references to United States dollars and Canadian dollars. All dollar amount references, unless otherwise indicated, are expressed in Canadian dollars and United States dollars are referred to as “United States dollars” or “US\$”.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder desiring to appoint some other person or Company to represent him or her at the Meeting may do so** by inserting such person’s name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Company indicated on the enclosed envelope not later than the times set out above.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 198 Davenport Road,

Toronto, Ontario M5R 1J2 at any time up to and including the last business day preceding the day of the Meeting.

Voting of Proxies

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **will be voted for each of the matters to be voted on by Shareholders as described in this Circular or withheld from voting or voted against if so indicated on the form of proxy and in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such election, the proxy will confer discretionary authority to be voted in favour of each matter set out in the form of proxy for which no choice has been specified.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters which may properly come before the Meeting. At the time of printing this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

Non-Registered Holders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a holder who is not a registered Shareholder (a **“Non-Registered Holder”**) are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans (an **“Intermediary”**); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company will distribute copies of the Notice of Meeting, form of proxy and this Circular to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders.

These materials are being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the **“Voting Instructions Form”**) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the Voting Instructions Form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instructions Form.

Adoption of Notice and Access

In accordance with the notice and access rules adopted by the Ontario Securities Commission under *NI 54-101*, the Company has sent its proxy-related materials directly to registered holders and NOBOs using notice-and-access. Therefore, although Shareholders still receive a Form of Proxy or VIF in paper copy, this Circular, annual consolidated financial statements and related MD&A are not physically delivered. Instead, Shareholders may access these materials on the Corporation's website at <https://docs.tsxtrust.com/2315> or under the Corporation's profile page on SEDAR at www.sedarplus.ca.

Registered Shareholders or Non-Registered Shareholders may request paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Corporation's website. In order to receive a paper copy of the Meeting materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869. Requests for paper materials should be received by May 24, 2024 in order to receive the Meeting materials in advance of the Meeting.

Voting Securities and Principal Holder Thereof

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the Record Date, the Company has 304,120,438 Common Shares issued and outstanding.

To the knowledge of the directors and officers of the Company, as of the date hereof, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares other than RAB Capital who have publicly disclosed that they hold 45,408,500 Common Shares, which represents approximately 14.93% of the outstanding Common Shares as of the date hereof.

Interest of Persons in Matters to be Acted Upon

No director or executive officer of the Company, nor any person who had held such a position since the beginning of the last completed financial year end of the Company, no Nominee (as defined below) nor any respective associates or affiliates of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at this Meeting other than the election of directors.

EXECUTIVE COMPENSATION DISCLOSURE

Compensation Discussion and Analysis

Objectives

The overall objectives of the Company's compensation program include: (a) attracting and retaining talented executive officers who can assist with the Company's mineral exploration and mine development strategy; (b) aligning the interests of those executive officers with those of the Company; and (c) linking individual executive officer compensation to the performance of the Company. The Company's compensation program is designed to compensate executive officers for the performance of their duties and to reward them for the performance of the Company.

Elements of Compensation

The elements of compensation that may be paid to the Named Executive Officers (as such term is defined in National Instrument 51-102F6 — *Statement of Executive Compensation*) on a go-forward basis are: (a) base salary and bonus; (b) option-based awards; (c) perquisites and personal benefits; and (d) termination and change of control benefits.

Base salary is a fixed element of compensation that will be payable to each Named Executive Officer for performing his or her position's specific duties. The amount of base salary for a Named Executive Officer is determined through negotiation of an agreement with each Named Executive Officer and is determined on an individual basis by the need to attract and retain talented individuals. While base salary is intended to fit into the Company's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business will also impact the level of base salary.

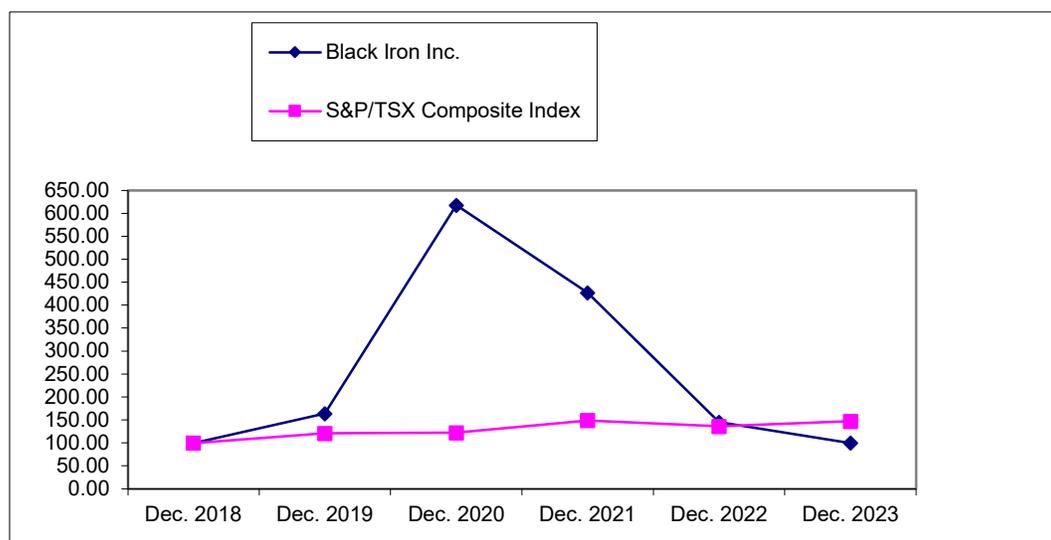
Bonuses are short-term performance based financial incentives that will be determined through a formal or informal compensation review process. As the Company grows and develops its projects, the Company may consider formalizing an annual incentive award program that will clearly articulate performance objectives and specific measurable goals that would be linked to individual performance criteria set out for the Named Executive Officers and other executive officers.

Option-based awards are a variable element of compensation that will be used to reward each Named Executive Officer for individual performance and/or the performance of the Company. Option-based awards are intended to fit into the Company's overall compensation objectives by aligning the interests of the Named Executive Officers with those of the Company, and linking individual Named Executive Officer compensation to the performance of the Company. The Joint Committee (as defined herein) will be responsible for setting and amending any equity incentive plan under which an option-based award is granted. This will be done on a discretionary basis.

The Company may, depending on the circumstances, provide for termination and, in certain instances, change of control benefits under the provisions of the agreements that will be negotiated with the Named Executive Officers. See "Termination and Change of Control Benefits".

Performance Graph

The following graph compares the quarterly percentage change in the cumulative total Shareholder return for \$100 invested in Common Shares against the cumulative total shareholder return of the S&P/TSX Composite Index for the most recently completed financial years of the Company, assuming the reinvestment of all dividends.



During this time period, executives of the Company delivered on several major milestones to create Shareholder value including the completion of a \$11.5 million financing of the Company in July 2021, advancing an updated feasibility study for the Shymanivske Iron Ore Project, signing of a US\$100 million

royalty term sheet, initiation and advancement of a highly competitive offtake process that ultimately resulted in the selection of Cargill, Incorporation for a US\$75 million prepay offtake agreement as announced in May 2021, US\$65 million expressions of interest from three engineering, procurement and construction firms, out of which two have been converted to heads of agreements and obtaining expressions of interest from banks and export credit agencies for US\$260 to \$300 million of senior debt. On February 24, 2022, Russia launched an invasion of Ukraine, and as of the date hereof, is still ongoing. The war in Ukraine, while outside the control of management of the Company, has had a negative impact on the market price of the Common Shares. Management continued to finalize the submission of the investment support agreement with Ukraine's Ministry of Economy in 2023. Executive compensation during this period is reflective of the dedication and loyalty of the executives to persevere despite challenging political dynamics, the war in Ukraine and the compensation levels required to attract the calibre of people with the relevant expertise to build an iron ore mine in Ukraine.

Summary Compensation Table

The following table summarizes the compensation paid during the three financial years ended December 31, 2023, 2022 and 2021 in respect of the individuals who were carrying out the role of the Chief Executive Officer ("**CEO**") of the Company, the Chief Financial Officer of the Company ("**CFO**") and each of the three most highly compensated executive officers other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year (the "**Named Executive Officers**").

Name and position with the Company	Year	Salary (US\$)	Share-based Awards (US\$)	Option-based awards (US\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
					Annual incentive plans	Long-term incentive plans			
Matthew Simpson (Chief Executive Officer)	2023	260,107	N/A	28,048	Nil	Nil	Nil	Nil	288,155
	2022	269,003	N/A	50,738	Nil	Nil	Nil	Nil	319,741
	2021	279,218	N/A	Nil	Nil	Nil	Nil	500,000	779,218
Paul Bozoki (Chief Financial Officer)	2023	74,316	N/A	46,738	Nil	Nil	Nil	Nil	121,054
	2022	76,858	N/A	23,100	Nil	Nil	Nil	Nil	99,958
	2021	79,777	N/A	Nil	Nil	Nil	Nil	150,000	229,777
Les Kwasik (Chief Operating Officer) ⁽³⁾	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2021	70,500	N/A	Nil	Nil	Nil	Nil	150,000	220,500
Stan Bharti (Former Executive Officer) ⁽¹⁾⁽⁵⁾	2023	241,528	N/A	Nil	Nil	Nil	Nil	Nil	241,528
	2022	230,574	N/A	Nil	Nil	Nil	Nil	Nil	230,574
	2021	239,330	N/A	Nil	Nil	Nil	Nil	Nil	239,330
Stefan Gueorguiev (Project Manager) ⁽⁴⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	167,164	Nil	Nil	Nil	Nil	Nil	Nil	167,164
	2021	167,368	N/A	Nil	Nil	Nil	Nil	Nil	167,368

Notes:

- (1) Amount paid to Forbes & Manhattan (as defined below) pursuant to the agreement between Forbes & Manhattan and the Company. Mr. Stan Bharti is the Executive Chairman of Forbes & Manhattan. See “Forbes & Manhattan Agreement” below.
- (2) The dollar value of option awards estimated using the Black-Scholes-Merton valuation model on the date of grant under the following weighted average assumptions: expected dividend yield — 0%; expected volatility — 135%; risk-free interest rate — 0.32%; and expected life — 2.72 years.
- (3) Mr. Kwasik retired on May 18, 2021.
- (4) Mr. Gueorguiev resigned on August 31, 2022.
- (5) Mr. Bharti is the Executive Chairman of Forbes & Manhattan. The Company’s contract with Forbes & Manhattan was terminated on January 23, 2023.

Compensation Review Process

The Company has established the Joint Committee as a committee of the Board. The Joint Committee is responsible for, among other things, reviewing, approving and recommending to the Board, base salary, bonus, options and other benefits, of the Named Executive Officers and other executive officers of the Company in addition to reviewing the Company’s director compensation practices. See “Corporate Governance Practices”.

Incentive Plan Awards

Stock Option Plan

The Company’s stock option plan (the “**Stock Option Plan**”) was approved by the Company’s directors on March 29, 2011, and became effective upon completion of the IPO (as defined herein). The Stock Option Plan was amended and restated on March 12, 2015, to among other things, provide that only executive directors, senior officers, consultants and employees of the Company will be eligible to participate

in the Stock Option Plan. Non-executive independent directors are not be able to participate in the Stock Option Plan of the Company.

The Stock Option Plan is considered an “evergreen” plan since the Common Shares covered by the options which have been exercised shall be available for subsequent grants under the Stock Option Plan and the number of options available to grant increases as the number of issued and outstanding Common Shares increases. As a result, should the Company issue additional Common Shares in future, the number of Common Shares issuable under the Stock Option Plan will increase accordingly. The current Stock Option Plan allows for the grant of incentive stock options to the Company’s employees, executive directors, seniors officers and consultants.

The Toronto Stock Exchange (the “**TSX**”) requires that securities based compensation arrangements be approved by shareholders every three years from the date of implementation. The Stock Option Plan was last approved by Shareholders at the Shareholders meeting held on June 24, 2021. The following is a summary of the terms of the Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan. At the Meeting, the Company is seeking Shareholder approval of the Stock Option Plan. A copy of the Stock Option Plan is attached at Appendix “B” hereto. The following is a summary of the terms of the proposed Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan.

Pursuant to the Stock Option Plan non-executive independent directors, are not eligible to participate in the Stock Option Plan. The aggregate number of Common Shares issuable pursuant to the Stock Option Plan and any other share compensation arrangement to all participants shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant. The aggregate number of Common Shares issuable under the Stock Option Plan and any other share compensation arrangement to insiders of the Company shall not at any time exceed 10% of the Common Shares then outstanding. The aggregate number of Common Shares issued upon exercise of the options granted under the Stock Option Plan and any other share compensation arrangement to insiders of the Company within a one-year period shall not exceed 10% of the Common Shares then outstanding.

Under the Stock Option Plan, vesting provisions may be as established by the Board. Options granted under the Stock Option Plan are non-assignable and will have an exercise price determined by the Board at the time the option is granted, but in any event shall not be less than the closing price of the Common Shares on the day immediately preceding the date of the grant of the option. The options will be exercisable for a period determined by the Board at the time of granting the options provided, however, all options must be exercisable during a period not extending beyond five years from the date of the option grant.

If an optionee ceases to be an employee, executive director, senior officer or consultant of the Company, other than as a result of termination with cause, any options held by such optionee at the effective date thereof shall be exercisable only to the extent that the optionee is entitled to exercise the options and only for 90 days thereafter or prior to the expiration of the option period in respect thereof, whichever is sooner. In the case of an optionee being dismissed from employment or service for cause, the options shall immediately terminate and shall no longer be exercisable as of the date of such dismissal. In the event of death of an optionee, options are exercisable by the estate until the earlier of, twelve months following the date of death or the expiry date of the option.

In the event that the expiry of an option falls within, or within two days of, a trading blackout period imposed by the Company (the “**Blackout Period**”), the expiry date of such option period shall be automatically extended to the 10th business day following the end of the Blackout Period.

Subject to regulatory approval, amendments to the Stock Option Plan do not require shareholder approval, including, without limitation, for: (i) amendments of a housekeeping nature; (ii) the addition of or a change to vesting provisions of a security or the Stock Option Plan; (iii) a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date; and

(iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve.

The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Stock Option Plan: (i) any amendment to the number of securities issuable under the Stock Option Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage; (ii) any change to the definition of "Participants" which would have the potential of narrowing or broadening or increasing insider participation; (iii) amendments to increase the maximum number of Common Shares which may be issued under the Stock Option Plan or amendments so as to increase the insider participation limits; (iv) amendments to increase the ability of the Board to amend the Stock Option Plan without shareholder approval; (v) amendments to the definition of "Eligible Person"; (vi) amendments relating to the transferability of options other than as permitted under the Stock Option Plan; (vii) amendments to the exercise price of any options issued under the Stock Option Plan where such amendment reduces the exercise price of such option (for this purpose, a cancellation or termination of an option or a Participant prior to its expiry for the purpose of re-issuing options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an option); (viii) amendments to the term of any option issued under the Stock Option Plan; (ix) the addition of any form of financial assistance; (x) any amendment to a financial assistance provision which is more favourable to Participants; (xi) any addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction in the number of underlying securities from the Stock Option Plan; (xii) the addition of deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Company; (xiii) any amendments to the amendment provisions of the Stock Option Plan; and (xiv) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Participants, especially to insiders of the Company, at the expense of the Company and its existing shareholders.

As of both the Record Date and December 31, 2023, the Company had 304,120,438 Common Shares issued and outstanding.

As of December 31, 2023, a total of 12,582,500 stock options and 10,878,453 DSUs were issued and outstanding which represents (i) approximately 7.7% of the issued and outstanding Common Shares of the Company as at December 31, 2023, leaving approximately, 6,951,716 stock options (representing 2.3% of the issued and outstanding Common Shares on December 31, 2023) available for future grants under the Stock Option Plan before taking into account any additional DSU grants under the DSU Plan which would further reduce the unallocated entitlements.

As of the Record Date, a total of 10,432,500 stock options and 11,172,203 DSUs were issued and outstanding which represents (i) approximately 7.1% of the issued and outstanding Common Shares of the Company as at the Record Date, leaving approximately 8,807,966 stock options (representing 2.9% of the issued and outstanding Common Shares on the Record Date) available for future grants under the Stock Option Plan before taking into account any additional DSU grants under the DSU Plan which would further reduce the unallocated entitlements.

The Company's annual Burn Rate as described in Section 613(d) of the TSX Company Manual under the Stock Option Plan was 0.2% in fiscal year 2023, 0.7% in fiscal year 2022 and 0.6% in fiscal year 2021. The Burn Rate is calculated by dividing the number of stock option's granted under the Stock Option Plan during the relevant fiscal year by the weighted number of common shares outstanding for the applicable fiscal year, as described in Section 613(p) of the TSX Company Manual.

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as of December 31, 2023.

Outstanding Share Awards and Option Awards	Option Awards				Share Awards	
	Name	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 (#)
Matthew Simpson (Chief Executive Officer)	750,000 3,200,000 1,000,000 600,000	0.05 0.095 0.145 0.12	Jan 9, 2024 June 15, 2025 Aug 7, 2025 March 9, 2027	3,750	NIL	NIL
Paul Bozoki (Chief Financial Officer)	300,000 700,000 400,000 300,000 500,000	0.05 0.095 0.145 0.12 0.08	Jan 9, 2024 June 15, 2025 Aug 7, 2025 March 9, 2027 August 10, 2028	1,500	NIL	NIL
Stan Bharti (Former Executive Officer) ⁽²⁾	400,000 500,000	0.145 0.12	Aug 7, 2025 Mar 9, 2027	NIL	NIL	NIL
TOTALS	8,650,000			31,500	NIL	NIL

Notes:

(1) Based on the closing market price of the Common Shares of \$0.055 on December 31, 2022.

(2) Mr. Bharti is the Executive Chairman of Forbes & Manhattan. The Company's contract with Forbes & Manhattan was terminated on January 23, 2023.

Value on Pay-Out or Vesting of Incentive Plan Awards

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the year ended December 31, 2023.

Name	Option awards – Value during the year on vesting (\$) ⁽¹⁾	Share awards – Value during the year on vesting (\$)	Non-equity incentive plan compensation – Pay-out during the year (\$)
Matthew Simpson (Chief Executive Officer)	3,750	N/A	N/A
Paul Bozoki (Chief Financial Officer)	1,500	N/A	N/A
Stan Bharti (Former Executive Officer)	NIL	N/A	N/A

Notes:

(1) Based on the closing market price of the Common Shares of \$0.055 on December 31, 2023.

Securities Authorized for Issuance Under Equity Compensation Plans

The table below sets out the outstanding stock options under the Stock Option Plan and the DSUs under the DSU Plan, being the Company's only compensation plans under which Common Shares are authorized for issuance, as of December 31, 2023.

		Number of securities to be issued upon exercise of outstanding options and DSUs	Weighted-average exercise price of outstanding options and DSUs	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category		(a)	(b)	(c)
Equity compensation plans approved by security holders	Stock Options	12,582,500	\$0.12	6,951,716
	DSUs	10,878,453	\$0.09	6,951,716
Equity compensation plans not approved by security holders		NIL	NIL	NIL
TOTAL		23,460,953		6,951,716

Notes:

- (1) The number of stock options remaining available for issuance if no further DSUs are issued.
(2) The number of DSUs remaining available for issuance if no further DSUs are issued.

Termination and Change of Control Benefits

The following describes the respective consulting agreements entered into by the Company and the Named Executive Officers in place as of the date hereof.

Matthew Simpson (Chief Executive Officer)

Iron Strike Inc. entered into an agreement with the Company on September 7, 2010, as amended on January 1, 2014, for the services of Mr. Simpson as the President and Chief Executive Officer of the Company. Pursuant to the agreement, Mr. Simpson receives a base fee of CAD\$29,166.67 per month. Mr. Simpson's agreement provides for a severance payment of 12 months' base fees on termination by the Company without cause. The agreement may be terminated at any time for just cause without notice or payment in lieu of notice and without payment of any fees. Just cause is defined to include, but is not limited to: (i) dishonesty or fraud; (ii) theft; (iii) breach of fiduciary duties; (iv) being guilty of bribery or attempted bribery; or (v) gross mismanagement. Mr. Simpson may terminate the agreement on three months' written notice and shall forthwith resign any position then held with the Company and the Company shall have the right to elect to immediately terminate the agreement on payment of three months' base fees. Mr. Simpson resigned as the President of the Company on February 7, 2017 but remains in his position as the CEO of the Company.

In the event that there is a change in control of the Company, either Mr. Simpson or the Company shall have one year from the date of such change in control to elect to have Mr. Simpson's appointment terminated. In the event that such an election is made, the Company shall, within 30 days of such election, make a lump sum termination payment to Mr. Simpson that is equivalent to 36 months' base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Simpson in the 36 months' prior to the change in control. Therefore, assuming a change of control occurred as at the year ended December 31, 2021, Mr. Simpson would be entitled to CAD\$1,050,000 upon a change of control. Following a change in control,

all options granted to Mr. Simpson shall be dealt with in accordance with the terms of the Stock Option Plan; however all options granted to Mr. Simpson, but not yet vested, shall vest immediately.

Paul Bozoki (Chief Financial Officer)

Pannonia Capital Inc. entered into an agreement with the Company on October 12, 2010, as amended on January 1, 2014, for the services of Mr. Bozoki as Chief Financial Officer. Pursuant to the agreement, Mr. Bozoki receives a base fee of CAD\$8,333.33 per month. Mr. Bozoki's agreement provides for a severance payment of 12 months' base fees on termination by the Company without cause. The agreement may be terminated at any time for just cause without notice or payment in lieu of notice and without payment of any fees. Just cause is defined to include, but is not limited to: (i) dishonesty or fraud; (ii) theft; (iii) breach of fiduciary duties; (iv) being guilty of bribery or attempted bribery; or (v) gross mismanagement.

In the event that there is a change in control of the Company, either Mr. Bozoki or the Company shall have one year from the date of such change in control to elect to have Mr. Bozoki's appointment terminated. In the event that such an election is made, the Company shall, within 30 days of such election, make a lump sum termination payment to Mr. Bozoki that is equivalent to 36 months' base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Bozoki in the 36 months' prior to the change in control. Therefore, assuming a change of control occurred as at the year ended December 31, 2021, Mr. Bozoki would be entitled to CAD\$300,000 upon a change of control. Following a change in control, all options granted to Mr. Bozoki shall be dealt with in accordance with the terms of the Stock Option Plan; however all options granted to Mr. Bozoki, but not yet vested, shall vest immediately.

Director Compensation

The Board uses cash and DSUs issued under the DSU Plan as part of the Company's overall director compensation plan. Since the value of DSUs increase or decrease with the price of the Common Shares, DSUs reflect a philosophy of aligning the interests of directors with those of the Shareholders by tying compensation to share price performance. See "Deferred Share Unit Plan".

Directors may also be reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties. In addition, the Company may grant stock options from time to time to executive-directors to align a portion of director compensation with the performance of the Company.

The following table provides information regarding compensation paid to the Company's non-executive directors for the financial year ended December 31, 2023.

Name	Fees earned (US\$) ⁽¹⁾	Share awards (US\$)	Option awards (US\$) ⁽²⁾	Non-equity incentive plan compensation (US\$)	All other compensation (US\$) ⁽³⁾	Total (US\$)
Bruce Humphrey	14,863	14,863	Nil	Nil	Nil	29,727
John Detmold	13,934	4,645	Nil	Nil	Nil	18,579
Pierre Pettigrew	7,432	7,432	Nil	Nil	Nil	14,863
David Porter	9,290	9,290	Nil	Nil	Nil	16,721
Zenon Potoczny	7,432	7,432	Nil	Nil	Nil	14,863

TOTALS	52,840	43,233	Nil	Nil	Nil	96,073
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Notes:

- (1) Amounts shown in the following table were received in DSUs and cash, as follows:
(2) The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Sholes Model as at the date of grant. See "Stock Option Plan", above.
(3) All other benefits did not exceed the lesser of \$50,000 and 10% of the total annual compensation for each director.

Outstanding Share Awards and Option Awards

The following table provides information regarding the incentive plan awards for each non-executive director as of December 31, 2023.

Name	Option Awards				Share 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 awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽²⁾
Bruce Humphrey	Nil	Nil	Nil	Nil	Nil	Nil	231,636
John Detmold	Nil	Nil	Nil	Nil	Nil	Nil	94,947
Pierre Pettigrew	Nil	Nil	Nil	Nil	Nil	Nil	114,901
David Porter	Nil	Nil	Nil	Nil	Nil	Nil	135,720
Zenon Potoczny	Ni	Nil	Nil	Nil	Nil	Nil	21,111

Notes:

- (1) Based on the closing market price of \$0.055 per Common Share on December 31, 2023.
(2) The value attributed to DSUs held by directors as of December 31, 2023 is based on the closing market price of \$0.055 per Common Share on December 31, 2023.

Value on Pay-Out or Vesting of Incentive Plan Awards

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended December 31, 2023.

Name	Option awards – Value during the year on vesting (\$)	Share awards – Value during the year on vesting (\$)	Non-equity incentive plan compensation – Pay-out during the year (\$)
Bruce Humphrey	NIL	231,636	NIL
John Detmold	NIL	94,947	NIL
Pierre Pettigrew	NIL	114,901	NIL
David Porter	NIL	135,720	NIL
Zenon Potoczny	Nil	21,111	NIL

Notes:

(1) Based on the closing market price of \$0.055 per Common Share on December 31, 2023.

Deferred Share Unit Plan

In 2015, the Company implemented a deferred share unit plan (the “**DSU Plan**”) for the benefit of the Company’s non-executive directors. The DSU Plan was established to assist the Company in the recruitment and retention of qualified persons to serve on the Board and, through the proposed issuance by the Company of Common Shares under the DSU Plan, to promote better alignment of the interests of non-executive directors and the long-term interests of Shareholders.

The Board uses the deferred share units (“**DSUs**”) issued under the DSU Plan as part of the Company’s overall director compensation plan. Since the value of DSUs increase or decrease with the price of the Common Shares, DSUs reflect a philosophy of aligning the interests of directors with those of the Shareholders by tying compensation to share price performance.

The DSU Plan provides the Company with the ability to issue DSUs from treasury as a treasury-based plan and to reserve for issuance an aggregate of up to 5% of the number of issued and outstanding common shares of the Company, subject to an aggregate maximum number of common shares issuable from all share-based compensation plans of 10%. As of the Record Date, there were 11,172,203 DSUs issued and outstanding on both dates, representing approximately 3.7% of the then current issued and outstanding Common Shares.

Summary of the DSU Plan

Set out below is a summary of the DSU Plan.

Administration of DSU Plan

The DSU Plan is administered by the Joint Committee and the Joint Committee has full discretionary authority to administer the DSU Plan including the authority to interpret and construe any provision of the DSU Plan and to adopt such rules and regulations for administering the DSU Plan as the Joint Committee may deem necessary in order to comply with the requirements of the DSU Plan, acting reasonably.

The DSU Plan provides that non-executive directors may elect to receive up to 75% of their annual compensation (the “**Annual Remuneration**”) in DSUs as follows: (a) 25% of the Annual Remuneration in DSUs; (b) 50% of the Annual Remuneration in DSUs; or (c) 75% of the Annual Remuneration in DSUs; subject to certain restrictions set out herein (the “**DSU Payment**”). Upon receipt of the requisite shareholder approvals and the approval of the TSX, the Company shall have the power, at the Joint Committee’s discretion, to satisfy DSU payments payable under DSUs by the issuance of Common Shares from treasury

on the basis of, subject to certain adjustment provisions of one Common Share for each DSU. A DSU is a unit credited toward an eligible non-executive director of the Company (a “**Participant**”) by way of a bookkeeping entry in the books of the Company, the value of which is equivalent to a Common Share. A Participant’s DSU account will be credited with the number of DSUs determined by dividing the dollar amount of compensation payable in DSUs on the payment date by the share price of the Common Shares at the time. Share price is defined in the DSU Plan and means the closing price of a Common Share on the TSX averaged over the five (5) consecutive trading days immediately preceding the date of grant or the redemption date, as the case may be. In the event that a dividend (other than stock dividend) is declared and paid by the Company in Common Shares, a Participant will be credited with additional DSUs. The number of such additional DSUs will be calculated by dividing the total amount of the dividends that would have been paid to the Participant if the DSUs in the Participant’s account on the dividend record date had been outstanding Common Shares (and the Participant held no other Common Shares), by the closing price of a Common Share on the TSX on the date on which the dividends were paid on the Common Shares.

The Annual Remuneration payable in the form of DSUs to the Participants shall be recorded by the Company as soon as practicable after March 31 of each fiscal year. Notwithstanding any election by a Participant under the DSU Plan, the Joint Committee may, in its sole discretion, decline to award DSUs in respect of a director’s Annual Remuneration and instead require the non-executive director to receive cash for Annual Remuneration in the ordinary course.

Each vested DSU held by a Participant who ceases to be an eligible director shall be redeemed by the Company on the relevant date the Participant ceases to be an eligible director, for any reason whatsoever, including death (the “**Separation Date**”), for a DSU Payment to be made to the Participant on such date as the Company determines not later than 60 days after the Separation Date and in any event no later than December 31 of the following calendar year, without any further action on the part of the holder of the DSU in accordance with the terms of DSU Plan.

The Participant holding such DSU shall not be entitled to the DSU Payment if the Participant ceases to be an eligible director, other than if the Participant ceases to be an eligible director in the event of, in connection with, or 3s a result of, a change of control, prior to the vesting condition(s) having been satisfied, and such DSU shall then be deemed cancelled. In the event of a change of control, each DSU shall automatically vest and be redeemable upon the occurrence of the Separation Date in accordance with the DSU Plan.

Maximum Number of Common Shares Issued

The maximum number of DSUs that may be issued pursuant to the DSU Plan cannot exceed 5% of the issued and outstanding Common Shares at the time of grant. In addition, the aggregate number of Common Shares reserved for issuance pursuant to the DSU Plan and any other securities-based compensation arrangement (pre-existing or otherwise) of the Company (as defined by applicable securities laws) shall not exceed 10% of the Common Shares outstanding from time to time.

The aggregate number of Common Shares issuable to eligible directors pursuant to the DSU Plan together with any shares issued pursuant to any other security based compensation arrangement, but excluding all DSUs and other securities that are Acceptable Equity Awards (as defined in the DSU Plan), shall not exceed 1% of the total number of outstanding Common Shares on a non-diluted basis, and the award value of all awards (together with the award value of all other rights granted under any other security based compensation arrangement), but excluding all DSUs and other securities that are Acceptable Equity Awards, to any one Eligible Director shall not exceed \$100,000 per year per Eligible Director.

As of December 31, 2023, a total of 12,582,500 stock options and 10,878,453 DSUs were issued and outstanding which represents (i) approximately 7.7% of the issued and outstanding Common Shares of the Company as at December 31, 2023, leaving approximately, 6,951,716 stock options (representing 2.3% of the issued and outstanding Common Shares on December 31, 2023) available for future grants under the Stock Option Plan before taking into account any additional DSU grants under the DSU Plan which would further reduce the unallocated entitlements.

As of the Record Date, a total of 10,432,500 stock options and 11,172,203 DSUs were issued and outstanding which represents (i) approximately 7.1% of the issued and outstanding Common Shares of the Company as at the Record Date, leaving approximately 8,807,966 stock options (representing 2.9% of the issued and outstanding Common Shares on the Record Date) available for future grants under the Stock Option Plan before taking into account any additional DSU grants under the DSU Plan which would further reduce the unallocated entitlements.

The Company's annual Burn Rate as described in Section 613(d) of the TSX Company Manual under the Stock Option Plan was 0.2% in fiscal year 2023, 0.7% in fiscal year 2022 and 0.6% in fiscal year 2021. The Burn Rate is calculated by dividing the number of stock options granted under the Stock Option Plan during the relevant fiscal year by the weighted number of common shares outstanding for the applicable fiscal year, as described in Section 613(p) of the TSX Company Manual.

Insider Participation Limits

Pursuant to the provisions of the DSU Plan, insider participation is limited to the number of the Company's issued Common Shares: (i) issued to insiders of the Company within any one-year period, and (ii) issuable to insiders of the Company, at any time, pursuant to the DSU Plan or when combined with all of the Company's other security based compensation arrangements, which cannot exceed 10% of the Company's total issued and outstanding Common Shares, respectively.

Transferability

Except as otherwise may be expressly provided for under this DSU Plan or pursuant to a will or by the laws of descent and distribution, no DSU and no other right or interest of a Participant is assignable or transferable, and any such assignment or transfer in violation of this DSU Plan shall be null and void.

Amendments to the DSU Plan

The Joint Committee's discretion to amend, modify and change the provisions of the DSU Plan, acting reasonably, shall be limited to such amendments that are of a "housekeeping" nature, including the addition of or a change to vesting provisions of a security or the DSU Plan or a change to the election provisions which does not entail an increase to the maximum percentage of Annual Remuneration the non-executive directors are permitted to receive in DSUs and will not, without receipt of shareholder approval (whether or not required by law or regulation) and regulatory approval, make any amendment to the DSU Plan that:

- (i) Increases the number of securities issuable under the DSU Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage;
- (ii) Changes the definition of "Participants" which would have the potential of narrowing or broadening or increasing insider participation;
- (iii) Any amendment to shorten the vesting conditions;
- (iv) Any amendment that would permit the DSUs to be transferable (other than as provided herein);
- (v) any other amendments to the DSU Plan amendment provisions;

and shall only be effective upon such amendment, modification or change being approved by the Board, Shareholders of the Company and the stock exchanges and any other regulatory authorities having jurisdiction over the Company, and provided any such amendment shall be effective only if the DSU Plan will continue to meet the requirements of paragraph 6801(d) of the regulations to the *Income Tax Act* (Canada) or any successor provision.

CORPORATE GOVERNANCE PRACTICES

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its stakeholders, particularly Shareholders. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Company's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks that the Company faces.

The Company believes that its corporate governance practices are in compliance with applicable Canadian requirements including National Policy 58-201 – *Corporate Governance Guidelines*. The Company has considered the applicable requirements and believes that its approach is appropriate and works effectively for the Company and its Shareholders. The Company continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

The following is a description of the Company's corporate governance practices, which has been prepared by the Joint Committee of the Board and has been approved by the Board.

Board of Directors

The Board currently consists of six members, a majority of whom are independent. Mr. Matthew Simpson is not independent as he is Chief Executive of the Company. Messrs. John Detmold, Bruce Humphrey, Pierre Pettigrew, David Porter and Zenon Potoczny are independent for the purposes of NI 58-101 – *Disclosure of Corporate Governance Practices*.

Other Directorships

The following directors of the Company currently hold directorships in the following reporting issuers (or equivalent in a foreign jurisdiction) as noted below:

Director	Other Reporting Issuers	Stock Exchange
Matt Simpson	None	N/A
John Detmold	None	N/A
Bruce Humphrey	None	N/A
Pierre Pettigrew	Belgravia Hartford Capital Inc. Troilus Gold Corp.	TSX-V TSX
David Porter	None	N/A
Zenon Potoczny	Zhoda Investments AB	beQuoted OTC

During the year ended December 31, 2023, the Board held six Board meetings. The attendance of each of the directors, based on the number of meeting each was eligible to attend is as follows: Mr. Humphrey (6/6), Mr. Detmold (6/6), Mr. Pettigrew (5/6), Mr. Porter (6/6), Mr. Potoczny (5/6) and Mr. Simpson (6/6). The remainder of Board activities were conducted by way of written consent resolutions.

Board Mandate

The Board has adopted a written mandate in which it assumes responsibility for the stewardship and development of the Company. The mandate provides that: (i) the Board's primary responsibility is to develop and adopt the strategic direction of the Company and to, at least annually, review and approve a strategic plan as developed and proposed by management, which takes into account the business opportunities and risks of the Company; and (ii) the Board is responsible for reviewing and approving the Company's financial objectives, plans and actions, including significant capital allocations and expenditures.

The mandate charges the Board with responsibility for, among other things: (i) monitoring corporate performance; (ii) identifying principal business risks and ensuring that appropriate systems are put in place to manage such risks; (iii) monitoring and ensuring internal control and procedures; (iv) ensuring appropriate standards of corporate conduct; (v) reviewing and approving financial statements and management's discussion and analysis; (vi) reviewing compensation of the members of the Board and senior management; (vii) reviewing and approving material transactions and annual budgets; (viii) developing the Company's approach to corporate governance; (ix) identifying and recommending new nominees; and (x) assessing its own effectiveness in fulfilling its mandate. The Board's mandate also sets forth procedures relating to the Board's operations such as the size of Board and selection process, director qualifications, director orientation and continuing education, meetings and committees, evaluations, compensation and access to independent advisors.

The Independence of the Board

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- there are no members of management on the Board other than the President and CEO;
- members of management, including without limitation the CEO, are not present for the discussion and determination of certain matters at meetings of the Board unless required;
- each of the Audit Committee and Joint Committee are comprised solely of independent directors;
- under the by-laws of the Company, any two directors may call a meeting of the Board;
- the CEO's compensation is considered by the Board, in his absence, by the Joint Committee at least once a year;
- in addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate; and
- the Board's practice is to hold in-camera meetings with the independent directors at the end of each Board or committee meeting to the extent required.

The independent directors hold in camera sessions during regularly scheduled board meetings at which non-independent directors and members of management are not in attendance. To facilitate open and candid discussion among its independent directors, the independent directors are encouraged to ask questions and to request non-independent directors and members of management to excuse themselves during discussions on related matters. Any items of discussion that could involve a potential conflict of interest among one or more directors will be voted on by those directors who do not have a conflict in connection with the relevant matter.

Position Descriptions

Chair of the Board

The Chair of the Board is Mr. Bruce Humphrey and he is considered to be an independent director. The Board has developed and adopted a written position description for the Chair of the Board, indicating that the Chair is responsible for, among other things, chairing all meetings of the Board in a manner that promotes meaningful discussion, providing leadership to enhance the Board's effectiveness, acting as a liaison between the Board and management and at the request of the Board, representing the Company to external groups, including shareholders, community groups and government. He ensures that resources are available to the Board, as necessary, that functions are delegated to the appropriate committees of the Board and responsibilities are understood. The Chair works with the Joint Committee to ensure a process is in place to assess the performance, effectiveness and contribution of the Board as a whole on an annual basis.

Chair of the Audit Committee

The Chair of the Audit Committee is Mr. John Detmold. The Board has adopted a written position description for the Chair of the Audit Committee, indicating that the Chair of the Audit Committee is responsible for, among other things, chairing all meetings of the Audit Committee, ensuring the Audit Committee monitors the Company's financial reporting process and internal control systems independently and objectively, ensuring procedures are in place to review the Company's public financial statements disclosure, and overseeing the Audit Committee's participation in the accounting and financial reporting process and audits of the financial statements.

Chair of the Joint Corporate Governance and Compensation Committee

The Board has appointed Mr. David Porter as Chair of the Joint Corporate Governance and Compensation Committee (the "**Joint Committee**") and developed and adopted a written position description for the Chair of this Joint Committee which indicates that the Chair of the Joint Committee is responsible for, among other things, assessing reviewing the Board's compensation on at least an annual basis and reviewing and recommending to the Board the level of compensation packages for the executive officers and members of senior management, assessing the effectiveness of the Board and the Company's governance, including periodically reviewing with the Board, on a periodic basis, the requisite skills and characteristics of prospective Board members as well as the composition of the Board as a whole.

Chief Executive Officer

The Board has developed and adopted a role statement for the Chief Executive Officer whose primary role is to take overall supervisory and managerial responsibility for the day-to-day operations of the Company's business and manage the Company in order to achieve the goals and objectives determined by the Board in the context of the Company's strategic plan. The Chief Executive Officer's role statement sets forth responsibilities including, but not limited to: (i) maintaining, developing and implementing the Company's strategic plans; (ii) developing new strategic alliances to enhance shareholder value; (iii) providing high quality leadership, support, coordination and guidance to staff and various responsible officers and managers; (iv) ensuring communications between the Company and major shareholders; (v) providing timely strategic, operational and reporting information to the Board; (vi) coordinating the preparation of an annual business plan; and (vii) taking responsibility for the administration of all of the Company's sub-areas and administrative practices.

Orientation and Continuing Education

Generally, the Joint Committee is responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Company, documents from recent Board meetings, and

opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. Moreover, the Board acknowledges that the Company has benefitted from the directors' combined extensive experience in the industries of mining and finance as well as the regulatory environment in Ukraine. The Board ensures that all directors are apprised of changes in the Company's operations and business.

Ethical Business Conduct

In fulfilling its mandate and approving various decisions put forth by management, the Board ensures that the measures taken by management comply with Canadian securities regulations and other applicable legislation. Members of the Board are also aware of their fiduciary role with the Company as well as their individual fiduciary duties in their capacity as directors, all of which are set out in various provincial corporate legislation. In exercising their powers and discharging their duties, the Board is required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board has adopted a written code of ethics entitled the "Code of Business Conduct and Ethics" (the "**Ethics Code**"), which applies to all employees, officers and directors of the Company. The purpose of the Ethics Code is to, among other things, promote honest and ethical conduct, promote legal compliance, promote the avoidance of conflicts of interest, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability for the Company.

The Board is responsible for compliance issues relating to the Ethics Code, which contains the procedures by which an individual can report actual or potential violations of the Ethics Code to the Chair of the Audit Committee. The Ethics Code provides that any violations of the Ethics Code by any employee, officer or director may be grounds for disciplinary action including termination of employment, office and directorship.

Pursuant to the Ethics Code, directors or officers of the Company are required to disclose to the Chair of the Audit Committee in writing, any conflicts of interest, or request to have entered into the minutes of meetings of the Board the nature and extent of such interest. The fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest also ensure that the Board operates independently of management and in the best interests of the Company.

The Board has adopted a written "Whistleblower Policy" which establishes procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or violations of the Ethics Code; and (ii) the submission by employees of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations of the Ethics Code.

The Board has adopted a "Corporate Disclosure and Insider Trading Policy" to ensure that: (i) the Company complies with timely disclosure obligations under securities laws; (ii) the Company prevents the selective disclosure of material changes; (iii) documents released by the Company or public oral information that relate to the business and affairs of the Company do not contain a misrepresentation; (iv) persons to whom the policy applies understand their obligations to preserve the confidentiality of "undisclosed material information" (as defined in the policy); and (v) all appropriate parties who have "undisclosed material information" are prohibited from trading in securities of the Company on such information and "tipping" under applicable laws, TSX rules and the policy.

Nomination of Directors

The Board as a whole is responsible for the nomination of directors. The Board's responsibilities include identifying and recommending new candidates for nomination to the Board based upon: (i) the competencies and skills necessary for the Board as a whole to possess; (ii) the competencies and skills necessary for each individual director to possess; (iii) the competencies and skills which each new nominee to the Board is expected to bring; and (iv) whether the proposed nominee to the Board will be able to devote sufficient time and resources to the Company. To encourage an objective nomination process, the Board promotes open and candid discussion among its independent directors.

The size of the Board will be reviewed on a regular basis. The Board will take into account the number of directors required to carry out the Board's duties effectively, and to maintain a diversity of views and experience.

Majority Voting Policy

The Company has adopted a majority voting policy (the "**Majority Voting Policy**") to provide a meaningful way for the Shareholders to hold individual directors accountable and to require the Company to closely examine directors that do not have the support of a majority of Shareholders, on an annual basis. The policy provides that at each annual meeting of shareholders, forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will establish an advisory committee (the "**Advisory Committee**") to which it shall refer the resignation for consideration. In such circumstances, the Advisory Committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the results of the voting for the nominee, and the Board will consider such recommendation. This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

Committees of the Board

As of the date hereof, the Board had the following two standing committees:

- Audit Committee - comprised of John Detmold (Chair), Pierre Pettigrew and David Porter; and
- Joint Committee – comprised of David Porter (Chair), Pierre Pettigrew and Bruce Humphrey.

Each of these committees are comprised of directors who are independent of management and each of the committees noted above report directly to the Board. From time to time, when appropriate, *ad hoc* committees of the Board may be appointed by the Board.

Audit Committee

Audit Committee Charter

The Audit Committee has adopted a written charter setting out its mandate and responsibilities. The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting processes and internal controls. The Audit Committee's primary duties and responsibilities are to: (i) conduct reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the committee; (ii) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures; (iii) ensure appropriate standards of corporate conduct for senior financial

personnel and employees and, if necessary, adopt a corporate code of ethics; (iv) review the quarterly and annual financial statements and management's discussion and analysis of the Company's consolidated financial position and operating results and report thereon to the Board for approval; (v) select and monitor the independence and performance of the Company's external auditors and approve their remuneration; (vi) provide oversight to related party transactions entered into by the Company; and (vii) provide oversight of all disclosure relating to financial statements, management's discussion and analysis and information derived therefrom. The Audit Committee is responsible for inquiring of management and the external auditors about significant risks or exposures, both internal and external to which the Company may be subject and assessing the steps management has taken to minimize such risks. The Audit Committee is also responsible for establishing and implementing procedures in respect of complaints and submissions relating to accounting matters and the approval of non-audit services by the external auditors. A copy of the Charter of the Audit Committee is attached to this Circular as Appendix "A".

Composition of the Audit Committee

The Audit Committee has been constituted to oversee the financial reporting processes of the Company and is comprised of three independent directors; namely Messrs. John Detmold, (Chair of the Audit Committee), David Porter and Pierre Pettigrew. Each member of the Audit Committee is financially literate and possesses extensive financial knowledge, experience and comprehension of financial statements.

Additional information regarding the Audit Committee is contained in the Company's annual information form for the year ended December 31, 2023 (the "AIF") under the heading "Audit Committee Disclosure". The AIF is available under the Company's profile on SEDAR at www.sedarplus.ca.

Relevant Education and Experience

The summaries of experience and education for each of the members of the Audit Committee follows:

John Detmold. Mr. Detmold has over 30 years' experience in corporate finance experience and as the CEO of several financial service and industrial companies. Currently, Mr. Detmold is also the Chairman of Investure Group, S.A. de C.V., the Chairman of Comunicación Xersa, S.A. de C.V. and is an active member of the Young Presidents Organization. He graduated from McGill University with a Bachelor's degree with honours in Economics.

David Porter. Mr. Porter holds an MBA and is a seasoned executive who served as Vice President Human Resources and Organizational Effectiveness for the Iron Ore Company of Canada from 1992 to 2008. Since January, 2009, Mr. Porter has been a Principal at Atlee Services. He has also been responsible for Operations, Safety, Health, Sustainable Development, Communications and Community Relations across the mining and steel sectors for over 34 years. Mr. Porter has led the development and execution of business strategy, negotiated agreements with international unions, governments and communities and led business transformation initiatives.

Pierre Pettigrew. From January 1996 to February 2006, Mr. Pettigrew served as a member of the Government of Canada where he led a number of senior government departments in successive federal Canadian governments. Among other positions, he has served Canada as the Minister of Foreign Affairs, Minister for International Trade and the Minister for International Cooperation. Mr. Pettigrew also worked with Deloitte & Touche, LLP in the role of Executive Advisor, International from 2006 to 2022 and he serves as a director of several public companies.

Reliance on Certain Exemptions

Since the commencement of the Company's recently completed financial year, the Company has not relied on any exemptions available under National Instrument 52-110 — *Audit Committees*.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee charter sets out procedures regarding the provision of non-audit services by the Company's independent registered chartered accountants. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted non-audit and non-audit-related services.

External Auditor Service Fees (by category)

McGovern Hurley LLP was appointed as the Company's external auditors as of May 14, 2018. The aggregate fees billed by the Company's external auditors for the last two fiscal years are set out in the table below. "Audit Fees" includes fees for audit services including the audit services completed for the Company's subsidiaries. "Audit-Related Fees" includes fees for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under Audit Fees, including the review of interim filings and travel related expenses for the annual audit. "Tax Fees" includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning. "All Other Fees" includes all fees billed by the external auditors for services not covered in the other three categories.

Year	Audit Fees (\$)	Audit Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
2023	59,920	NIL	6,420	NIL
2022	60,900	NIL	6,300	NIL

The Joint Corporate Governance and Compensation Committee

The Joint Committee is currently comprised of Messrs. David Porter (Chair), Pierre Pettigrew and Bruce Humphrey; and each of whom is an independent director.

The Board, with the assistance of the Joint Committee, is responsible for reviewing the compensation of members of the Board to ensure that compensation realistically reflects the responsibilities and risks involved in being a director and for reviewing the compensation of members of senior management to ensure that compensation is competitive within the industry and aligns the interests of such individual with those of the Company.

In connection with its responsibilities relating to compensation of the Company's directors and officers, the Joint Committee is responsible for: (i) annually reviewing, approving and recommending to the Board for approval, the remuneration of the senior executives of the Company (including the Chief Executive Officer and Chief Financial Officer); (ii) reviewing the Chief Executive Officer's goals and objectives for the upcoming year and providing an appraisal of such performance at the end of the year; (iii) meeting with the Chief Executive Officer to discuss goals, objectives, compensation and performance of other senior executive officers; (iv) reviewing and recommending to the Board for approval, the remuneration of directors and senior executives, including any bonus entitlements; (v) developing and submitting recommendations with regard to other employee benefits and bonus plans; (vi) periodically reviewing bonus plans and stock option plans in light of new trends and practices in the industry; (vii) reviewing the use of the Company's stock option plan; and (ix) reviewing the Company's executive compensation disclosure in any management information circular of the Company.

In addition, the Joint Committee is tasked with the function of developing and recommending to the Board a set of corporate governance principles applicable to the Company and to identify and recommend individuals to the Board for nomination as members of the Board and its committees (other than the Joint Committee). The Joint Committee is responsible for reviewing with the Board, on a periodic basis, the requisite skills and characteristics of prospective Board members as well as the composition of the Board as a whole. This assessment will include member's contribution, qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board. The Board identifies new candidates for board nomination by considering experience and qualifications in the areas of mining, financial reporting, capital markets and public company stewardship. The Board seeks members who have skills and experiences in these areas and will augment its membership of the Board from time to time as considered necessary in order to ensure experience and skills from these areas are reflected on the Board at all times.

Board Assessments

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

Director Term Limits

The Company has not adopted term limits for directors on the Board or other mechanisms of director renewal as the Board currently assesses each director in order to ensure that the Board is balanced between highly experienced directors with long-term knowledge and those with a fresh perspective. The Board will periodically consider whether term limits or other mechanisms of renewal for the Board should be adopted and will implement changes when necessary.

Women on the Board of Directors and in Executive Officers

The Company has not adopted a written policy specifically relating to the identification and nomination of women directors nor does the Board consider the level of representation of women when making executive officer appointments or set targets regarding women on the Board or in executive positions. However, informally, the Company values diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national origin as part of its overall business strategy. The Board intends to consider whether it should adopt specific policies and practices regarding the representation of women on the Board and in executive positions, including the setting of targets for such representation. As at the date hereof, no members of the Board are women.

MATTERS TO BE CONSIDERED

Financial Statements

The financial statements for the fiscal year ended December 31, 2023, together with the auditor's report thereon, and the financial statements for the three-month period ended March 31, 2024 will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

Election of Directors

Under the constating documents of the Company, the Company is to have a minimum of three directors and a maximum of ten directors. The Board currently consists of six directors. The Company has nominated six persons (the "**Nominees**") for election as a director at the Meeting. At the Meeting, Shareholders will be asked to elect these Nominees as directors.

The following table provides the names of the Nominees and information concerning such Nominees. The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. At the Meeting, Shareholders will be asked to elect these Nominees as directors. The process for voting for election of each director will be by individual voting and not by slate voting. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis. As the Company has adopted a Majority Voting Policy, the process for voting for election of each director will be by individual voting and not by slate voting. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis. See “Corporate Governance Practices” for more information on our Majority Voting Policy.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of all of the Nominees. If prior to the Meeting any of such Nominees is unable to or unwilling to serve, the persons named in the accompanying form of proxy will vote for another nominee or nominees in their discretion if additional nominations are made at the Meeting. Each Nominee elected will hold office until his successor is elected at the next annual meeting of Shareholders, or any postponement(s) or adjournment(s) thereof, or until his successor is elected or appointed.

Information in the table below regarding the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the Nominees is based upon information furnished by the respective Nominee and is as at the Record Date.

Name, Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number of Common Shares Beneficially Owned, Directly or Indirectly or Over Which Control or Direction is Exercised
BRUCE HUMPHREY, Chair ⁽²⁾ Ontario, Canada	December 22, 2010	Business and Mining Consultant	622,500
JOHN DETMOLD, Director ⁽¹⁾ Naucalpan, Mexico	December 22, 2010	Managing Director, Invecture Group	3,690,909
PIERRE PETTIGREW, Director ⁽²⁾ Ontario, Canada	December 22, 2010	Executive Advisor, Deloitte & Touche LLP	737,500
DAVID PORTER, Director ^{(1) (2)} Ontario, Canada	December 22, 2010	Business and Mining Consultant	125,000
ZENON POTOCZNY, Director Ontario, Canada	May 18, 2021	Director of Zhoda Investments	100
MATTHEW SIMPSON, Chief Executive Officer and Director Ontario, Canada	December 15, 2010	Chief Executive Officer of the Company	1,341,333

Notes:

⁽¹⁾ Member of the Audit Committee. John Detmold is the Chair of the Audit Committee.

⁽²⁾ Member of the Joint Committee. David Porter is the Chair of the Joint Committee.

The directors of the Company are elected by the Shareholders at each annual meeting and typically hold office until the next annual meeting at which time they may be re-elected or replaced.

The by-laws of the Company permit the Board to appoint directors to fill any casual vacancies that may occur between meetings of Shareholders. Individuals appointed as directors to fill casual vacancies on the Board hold office like any other director until the next annual general meeting at which time they may be re-elected or replaced.

As of the Record Date, the directors, as a group, beneficially own, directly or indirectly, or exercise control or direction over, a total of 6,517,342 Common Shares, representing approximately 2.14% of the then issued and outstanding Common Shares.

All of the Nominees were elected as directors by the Shareholders at the last annual meeting of the Shareholders.

Corporate Cease Trade Orders

To the Company's knowledge, no Nominee is, as at the date of the Circular, or was within ten years before the date of the Circular a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued while the Nominee was acting in such capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued after the Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Other than as described below, to the Company's knowledge, no Nominee:

- (a) is, as at the date of the Circular, or has been within the ten years before the date of the 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; or
- (b) has, within the ten years before the date of the 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 assets of the Nominee.

By Order of the Supreme Court of Newfoundland and Labrador (the "**Court**") dated June 17, 2020, Deloitte Restructuring Inc. ("**Deloitte**") was appointed as the receiver and manager (the "**Receiver**") of all current and future assets, undertakings, and properties of the Kami Mine Limited Partnership, Kami General Partner Limited, and Alderon Iron Ore Corp. The receivership was initiated by a secured creditor of the Kami Mine Limited Partnership after its failure to refinance the secured debt due to the COVID-19 pandemic. Mr. Porter was a Director of Alderon Iron Ore Corp. until April 28, 2020.

Penalties or Sanctions

To the knowledge of the Company, no Nominee, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

Other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Indebtedness of Directors and Executive Officers

As at the date hereof, none of the Company's directors, executive officers, employees and former executive officers, directors and employees of the Company or any of its subsidiaries was indebted to the Company or its subsidiaries or has any indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or its subsidiaries.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of McGovern Hurley LLP ("**McGovern**") as the auditor of the Company to hold office until the next annual general meeting and to authorize the directors to fix their remuneration. McGovern were first appointed the Company's auditor as of May 14, 2018.

The Audit Committee recommends the election of McGovern Hurley LLP as the Company's auditor to hold office, until the Company's next annual general meeting. It is intended that all management proxies received will be voted in favour of the appointment of McGovern Hurley LLP as the Company's auditor, unless a proxy contains specific instructions to vote against such resolution.

Approval of Stock Option Plan

The TSX requires that "evergreen" securities based compensation arrangements be approved by shareholders every three years from the date of implementation. Therefore, at the Meeting, shareholders of the Company entitled to vote on the matter will be asked to consider, and if thought advisable, pass an ordinary resolution approving the Stock Option Plan (the "**Stock Option Plan Resolution**"), the full text of which is set out below. In the event that the Stock Option Plan Resolution is not passed by the requisite number of votes cast at the Meeting, the Company will not have an operative stock option plan and therefore the Board will not be able to issue additional options until such time as another stock option plan is created and approved, and may consequently have difficulty attracting and retaining high caliber personnel.

However, whether or not the Stock Option Plan Resolution is approved, all options currently outstanding under the Stock Option Plan will remain in effect in accordance with their terms. A summary of the Stock Option Plan can be found under “*Executive Compensation Disclosure – Incentive Plan Awards – Stock Option Plan*” The full text of the Stock Option Plan is attached hereto at Appendix “B”.

Resolution to Approve Stock Option Plan

The Stock Option Plan Resolution requires the affirmative vote of a majority of votes cast at the Meeting. At the last Shareholders meeting held on June 24, 2021, Shareholders approved the Stock Option Plan. As the prior shareholder approval of the unallocated Options will expire on June 4, 2024, all unallocated Options outstanding as of such date will be cancelled and the Company will not be permitted to grant further options under the Stock Option Plan until such time as the required shareholder approval is obtained.

If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated options under the Stock Option Plan until the Company’s 2027 annual and special Shareholders’ meeting (provided that such meeting is held on or prior to June 4, 2027). If approval is not obtained at the Meeting, the Company must forthwith stop granting options under the Stock Option Plan and options which are outstanding as of the date of the Meeting and are subsequently cancelled, terminated or exercised will not be available for a new grant of options until shareholder approval is obtained; however, all options that have been granted until June 4, 2024, but not yet exercised, will continue unaffected.

Shareholders of the Company will be asked to pass the Stock Option Plan Resolution set out below and approve the Stock Option Plan.

Whereas:

1. the Board of Directors of the Company adopted on March 29, 2011 a Stock Option Plan, as amended and restated by the Board on May 25, 2015 (the “**Stock Option Plan**”) which does not have a fixed maximum number of common shares issuable; and
2. the rules of Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

Be it resolved that:

1. all unallocated options under the Stock Option Plan be and are hereby approved;
2. the Company have the ability to continue granting options under the Stock Option Plan until June 4, 2027, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution.

The directors of the Company recommend that the Shareholders approve the Stock Option Plan. It is intended that all management proxies received will be voted in favour of the approval of the Stock Option Plan, unless a proxy contains specific instructions to vote against such resolution.

Approval of DSU Plan

The TSX requires that “evergreen” securities based compensation arrangements be approved by shareholders every three years from the date of implementation. Therefore, at the Meeting, Shareholders entitled to vote on the matter will be asked to consider, and if thought advisable, pass an ordinary resolution approving the DSU Plan (the “**Deferred Share Unit Plan Resolution**”), the full text of which is set out below. In the event the Deferred Share Unit Plan Resolution is not passed by the requisite number of votes

cast at the Meeting, all unallocated DSUs will be cancelled and the Company will not be permitted to make further grants until security holder approval is obtained. As a result, the Company may have difficulty attracting and retaining high caliber personnel. A summary of the DSU Plan can be found under “*Executive Compensation Disclosure – Director Compensation – Deferred Share Unit Plan*”. The full text of the DSU Plan is attached hereto as Appendix “C”.

The Deferred Share Unit Plan Resolution requires the affirmative vote of a majority of votes cast at the Meeting. At the last Shareholders meeting held on June 24, 2021, Shareholders approved the DSU Plan. As the prior shareholder approval of the unallocated DSUs will expire on June 24, 2024, all unallocated DSUs outstanding as of such date will be cancelled and the Company will not be permitted to grant further DSUs under the DSU Plan until such time as the required shareholder approval is obtained.

If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated DSUs under the DSU Plan until the Company’s 2027 annual and special Shareholders’ meeting (provided that such meeting is held on or prior to June 4, 2027). If approval is not obtained at the Meeting, the Company must forthwith stop granting DSUs under the DSU Plan and DSUs which are outstanding as of the date of the Meeting and are subsequently cancelled, terminated or vested will not be available for a new grant of DSUs until shareholder approval is obtained; however, all DSUs that have been granted until June 24, 2024, but not yet vested, will continue unaffected.

Shareholders of the Company will be asked to pass the Deferred Share Unit Plan Resolution set out below and approve the DSU Plan.

Whereas:

1. the Board of Directors of the Company approved a Deferred Share Unit Plan of the Company (the “**DSU Plan**”) for non-executive directors of the Company on March 12, 2015, as amended and restated on May 28, 2018, which provides that annual compensation to non-executive directors may be redeemable in Common Shares issued from treasury; and
2. the rules of Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

Be it resolved by ordinary resolution that:

1. all unallocated deferred share units under the DSU Plan be and are hereby approved;
2. the Company have the ability to continue granting DSUs under the DSU Plan until June 4, 2027, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any director or officer of the Company, be and hereby is authorized to do all acts and things and execute all documents, as may be necessary or desirable in his opinion to give effect to the foregoing.

The directors of the Company recommend that the Shareholders approve the DSU Plan. It is intended that all management proxies received will be voted in favour of the approval of the DSU Plan, unless a proxy contains specific instructions to vote against such resolution.

Interest of Informed Persons in Material Transactions

To the knowledge of the directors and officers of the Company, no informed person of the Company, proposed nominee for director of the Company, or any associate or affiliate of the foregoing has or had any material interest, direct or indirect, in any transaction since the commencement of the

Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company.

Additional Information

Additional information relating to the Company may be found under the profile of the Company on SEDAR at www.sedarplus.ca. Additional financial information is provided in the Company's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2023, which can be found under the profile of the Company on SEDAR. Shareholders may also request these documents from the Corporate Secretary of the Company by email at kenny.choi@fmresources.ca or by telephone at (416) 861-2267.

Board of Directors Approval

The contents of this Circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Matthew Simpson*"

Chief Executive Officer and Director

Toronto, Ontario
April 26, 2024

APPENDIX "A"



BLACK IRON INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE OF THIS CHARTER

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Black Iron Inc. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- c) ensure that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics;
- d) review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and in the case of the annual financial statements and related management’s discussion and analysis, report thereon to the Board for approval of same;
- e) select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- f) provide oversight of all disclosure relating to, and information derived from, financial statements, management’s discussion and analysis and information.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval. In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

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

3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“OSC”), the Toronto Stock Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

- a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule “A” attached hereto.
- b) Each member of the Committee shall be “independent” and “financially literate”. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which, in the view of the Board of Directors of the Corporation, could be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*, as set out in Schedule “B” hereto. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation’s financial statements.
- c) Each member of the Committee shall sit at the appointment of the Board of Directors, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board of Directors.
- d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours’ notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

- i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- j) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.
- l) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

4. RESPONSIBILITIES

a) Financial Accounting and Reporting Process and Internal Controls

- i) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- ii) The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
- iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures.
- iv) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
- v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief

- Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
- vi) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
 - (vii) The Committee shall provide oversight of the Corporation's policies, procedures and practices with respect to the maintenance of the books, records and accounts, and the filing of reports, by the Corporation with respect to third party payments in compliance with the *Corruption of Foreign Public Officials Act (Canada)*, the *Extractive Sector Transparency Measures Act (Canada)* and similar applicable laws.
 - viii) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
 - ix) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel and all employees.
 - x) The Committee shall establish and monitor procedures for:
 - the receipt, retention and treatment of complaints received by the Corporation regarding: (a) accounting, internal accounting controls or auditing matters; or (b) violations of the Corporation's policies including the Code of Business Conduct and Ethics; Anti-Bribery and Anti-Corruption Policy; and Corporate Disclosure, Confidentiality and Insider Trading Policy; and
 - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters or violations of any of the Corporation's policies (as described above).
The Corporation's whistleblower policy will be extended to cover any concerns or complaints regarding the aforementioned matters.
 - xi) The Committee shall provide oversight to related party transactions entered into by the Corporation.
 - xii) The Committee shall establish the budget process, which shall include the setting of spending limits and authorizations, as well as periodic reports from the Chief Financial Officer comparing actual spending to the budget.
 - xiii) The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

b) Independent Auditors

- i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.
- ii) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- iii) The pre-approval of the Committee shall be required as further set out in Schedule "C" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.

- v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
- viii) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- ix) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- x) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.
- xi) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

c) Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE "A"
BLACK IRON INC.
POSITION DESCRIPTION FOR THE CHAIRMAN OF THE AUDIT COMMITTEE

1. PURPOSE

The Chairman of the Audit Committee of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

2. WHO MAY BE CHAIRMAN

The Chairman will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

3. RESPONSIBILITIES

The following are the primary responsibilities of the Chairman:

- a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;
- b) ensuring adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;
- c) providing leadership to the Committee to enhance the Committee's effectiveness, including:
 - i) providing the information to the Board relative to the Committee's issues and initiatives and reviewing and submitting to the Board an appraisal of the Corporation's independent auditors and internal auditing functions;
 - ii) ensuring that the Committee works as a cohesive team with open communication, as well as ensuring open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial and control matters;
 - iii) ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
 - iv) ensuring that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;
 - v) ensuring that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions;
 - vi) ensuring that procedures are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;
 - vii) ensuring that clear hiring policies are put in place for partners and employees of the auditors;
- d) ensuring that procedures are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns, ensuring the establishment of a budget process, which shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget regarding questionable accounting or auditing matters; and
- e) managing the Committee, including:

- i) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
- ii) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
- iii) ensuring meetings are appropriate in terms of frequency, length and content;
- iv) obtaining and reviewing with the Committee an annual report from the independent auditors, and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
- v) overseeing the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;
- vi) ensuring that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders; and
- vii) annually reviewing with the Committee its own performance.

**SCHEDULE “B”
BLACK IRON INC.
NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES (“NI 52-110”)**

Section 1.4 — Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the issuer, or

- (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 — Additional Independence Requirements for Audit Committee Members

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities,is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE "C"
BLACK IRON INC.
Procedures for Approval of Non-Audit Services

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (c) actuarial services;
 - (d) internal audit outsourcing services;
 - (e) management functions;
 - (f) human resources;
 - (g) broker or dealer, investment adviser or investment banking services;
 - (h) legal services; and
 - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation's accounting standards, from time to time determines is impermissible.

2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

APPENDIX "B"
Stock Option Plan

BLACK IRON INC.

INCENTIVE STOCK OPTION PLAN

ARTICLE I
INTRODUCTION

1.1 Purpose of Plan

The purpose of the Plan is to secure for the Company and its shareholders the benefits of incentives inherent in the share ownership by the senior officers, key employees and consultants of the Company and its Subsidiaries who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids in retaining and encouraging employees of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Company. The Stock Option Plan is considered an "evergreen" plan since the Common Shares covered by the options which have been exercised shall be available for subsequent grants under the Stock Option Plan and the number of options available to grant increases as the number of issued and outstanding Common Shares increases.

1.2 Definitions

- (a) "Associate" has the meaning ascribed thereto in the Securities Act.
- (b) "Board" means the board of directors of the Company, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.
- (c) "Company" means Black Iron Inc., a company duly incorporated under the laws of Ontario.
- (d) "Consultant" means a person providing consulting services to the Company or any of its Subsidiaries.
- (e) "Consultant Company" means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (f) "Director" means a director of the Company or any of its Subsidiaries.
- (g) "Eligible Person" means any employee, senior Officer or Consultant of the Company or any of its Subsidiaries.
- (h) "Exchange" means the Toronto Stock Exchange or any other stock exchange on which the Shares are listed.
- (i) "Insider" of the Company shall mean a Participant who is an "insider" of the Company that is subject to insider reporting requirements pursuant to National Instrument 55-101 – Insider Reporting Exemptions.
- (j) "Option" shall mean an option granted under the terms of the Plan.
- (k) "Option Commitment" means the notice of grant of an Option delivered by the Company hereunder to an Optionee and substantially in the form of Exhibit A hereto.
- (l) "Option Period" shall mean the period during which an Option may be exercised.
- (m) "Optionee" shall mean a Participant to whom an Option has been granted under the terms of the Plan.
- (n) "Participant" means, in respect of the Plan, an Optionee who elects to participate in the Plan.
- (o) "Plan" means this Incentive Stock Option Plan established and operated pursuant to Article II hereof.

- (p) "Securities Act" means the *Securities Act* (Ontario) as amended from time to time.
- (q) "Share Compensation Arrangement" means the Plan described herein and any other security based compensation arrangements implemented by the Company including stock options, other stock option plans, employee stock purchase plans, share distribution plans, stock appreciation rights, restricted share unit plans or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares of the Company.
- (r) "Shares" shall mean the common shares of the Company.
- (s) "Subsidiary" has the meaning ascribed thereto in the Securities Act.

ARTICLE II STOCK OPTION PLAN

2.1 Participation

Options to purchase Shares may be granted hereunder to Eligible Persons.

2.2 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Company and any other factors which it may deem proper and relevant.

2.3 Exercise Price

The exercise price per Share shall be determined by the Board at the time the Option is granted, but, in any event, shall not be less than the closing price of the Shares on the Exchange on the trading day immediately preceding the date of the grant of the Option.

2.4 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

2.5 Option Commitment

Each Option granted to an Optionee shall be evidenced by an Option Commitment detailing the terms of the Option and upon delivery of the Option Commitment to the Optionee by the Company the Optionee shall have the right to purchase the Shares underlying the Option at the exercise price set out therein, subject to any provisions as to the vesting of the Option.

2.6 Terms of Options

The periods within which Options may be exercised and the number of Shares which may be issuable upon the exercise of Options in any such period shall be determined by the Board at the time of granting the Options provided, however, that all Options must be exercisable during a period not extending beyond five years from the date of the Option grant.

Notwithstanding the foregoing, in the event that the expiry of an Option Period falls within, or within two (2) days of, a trading blackout period imposed by the Company (the "**Blackout Period**"), the expiry date of such Option Period shall be automatically extended to the 10th business day following the end of the Blackout Period.

2.7 Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Company of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

2.8 Vesting

Options granted pursuant to the Plan shall vest and become exercisable by an Optionee at such time or times as may be determined by the Board.

2.9 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Death of Optionee

If an Optionee ceases to be an Eligible Person due to death, any Option held by it at the date of death shall be exercisable by the Optionee's legal heirs or personal representatives. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise.

2.11 Termination of Employment

If an Optionee ceases to be an Eligible Person, other than as a result of termination with cause, any Option held by such Optionee at the effective date thereof shall be exercisable only to the extent that the Optionee is entitled to exercise the Option and only for 90 days thereafter (or such longer period as may be prescribed by law) or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise. In the case of an Optionee being dismissed from employment or service for cause, the Option shall immediately terminate and shall no longer be exercisable as of the date of such dismissal.

2.12 Effect of Take-Over Bid

If a bona fide offer (the "**Offer**") for Shares is made to the Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Company within the meaning of the Securities Act, then the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "**Optioned Shares**") pursuant to the Offer. If:

- (a) the Offer is not complied with within the time specified therein;
- (b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or
- (c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then at the discretion of the Board, the Optioned Shares or, in the case of clause (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and the terms of the Option as set forth in this Plan and the Option Commitment shall again apply to the Option. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the exercise price to the Optionee for such Optioned Shares.

2.13 Effect of Reorganization, Amalgamation, Merger. etc.

If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all or substantially all of the assets of the Company to another entity, the Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee and at the discretion of the Board, upon the exercise of an Option under the Plan, the holder thereof shall be entitled to receive any securities, property or cash which the Optionee would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Optionee had exercised his Option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted as applicable by the Board, unless the Board otherwise determines the basis upon which such Option shall be exercisable, and any such adjustments shall be binding for all purposes of the Plan.

2.14 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassifications of Shares, or otherwise, the number of Shares subject to any Option, and the exercise price thereof and the maximum number of Shares which may be issued under the Plan in accordance with Section 3.1 (a) shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan. An adjustment under Section 2.13 or 2.14 (the “**Adjustment Provisions**”) will take effect at the time of the event giving rise to the adjustment, and the Adjustment Provisions are cumulative. The Company will not be required to issue fractional Shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for this provision, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company. If any questions arise at any time with respect to the exercise price or number of Shares deliverable upon exercise of an Option in connection with any of the events set out in Sections 2.12, 2.13 or 2.14, such questions will be conclusively determined by the Company’s auditors, or, if they decline to so act, any other firm of Chartered Accountants that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE III
GENERAL

3.1 Maximum Number of Shares

- (a) The aggregate number of Shares issuable pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to all Participants shall not exceed 10% of the issued and outstanding Shares at the time of grant.
- (b) The aggregate number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders shall not exceed 10% of the Shares outstanding at any time.
- (c) The aggregate number of Shares issued upon exercise of the Options granted pursuant to this Plan and any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders within a one-year period shall not exceed 10% of the Shares then outstanding.

3.2 Transferability

Options are not assignable or transferable other than by will or by the applicable laws of descent. During the lifetime of an Optionee, all Options may only be exercised by the Optionee.

3.3 Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Company or any Subsidiary, or interfere in any way with the right of the Company or any Subsidiary, to terminate the Optionee’s employment at any time. Participation in the Plan by an Optionee is voluntary.

3.4 No Shareholder Rights

An Optionee shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Optionee exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

3.5 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Optionee, the number of Options granted to an Optionee, the details thereof and the number of Options outstanding.

3.6 Necessary Approvals

The Plan shall be effective only upon the approval of both the Board and the shareholders of the Company by ordinary resolution. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure

to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price paid by an Optionee to the Company shall be returned to the Optionee.

3.7 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan, subject to section 3.9 below. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

3.8 Income Taxes

The Company shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Company, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any Option granted under the Plan. With respect to any required withholding, the Company shall have the irrevocable right to, and the Optionee consents to, the Company setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Company to the Optionee (whether arising pursuant to the Optionee's relationship as an officer, employee or consultant of the Company or otherwise), or may make such other arrangements that are satisfactory to the Optionee and the Company. In addition, the Company may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the Options as it determines are required to be sold by the Company, as trustee, to satisfy any withholding obligations net of selling costs. The Optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares issuable upon exercise of the Options and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the Options.

3.9 Amendment, Modification or Termination of Plan

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.9(a) and (b) below, the Board may, from time to time, amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such right may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Plan.

(a) The Board may, subject to receipt of requisite shareholder and regulatory approval, which will require: (i) obtaining the approval of a majority of holders of the Shares voting at a duly called and held meeting of the holders of Shares and, (ii) in the case of any amendments to Sections 3.1(b) and 3.1(c) so as to increase the Insider participation limits, approval of a majority of the holders of the Shares voting at a duly called and held meeting of holders of Shares excluding shares voted by Insiders who are Eligible Persons, make the following amendments to the Plan:

- (i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;
- (ii) any change to the definition of "Participants" which would have the potential of narrowing or broadening or increasing insider participation;
- (iii) amendments to Section 3.1(a) to increase the maximum number of Shares which may be issued under the Plan or amendments to Sections 3.1(b) and 3.1(c) hereto so as to increase the Insider participation limits;
- (iv) amendments to Section 3.7 in any manner or any amendments to this Section 3.9 so as to increase the ability of the Board to amend the Plan without shareholder approval;
- (v) amendments to the definition of "Eligible Person"
- (vi) amendments relating to the transferability of Options other than as permitted under the Plan;
- (vii) amendments to the exercise price of any Options issued under the Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option or a

Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);

- (viii) amendments to the term of any Option issued under the Plan;
- (ix) the addition of any form of financial assistance;
- (x) any amendment to a financial assistance provision which is more favourable to Participants;
- (xi) any addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction in the number of underlying securities from the Plan;
- (xii) the addition of deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Company;
- (xiii) any amendments to this Section 3.9 Plan amendment provisions; and
- (xiv) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Participants, especially to insiders of the Company, at the expense of the Company and its existing shareholders.

(b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion and without shareholder approval, make all other amendments to the Plan that are not of the type contemplated in subparagraph 3.9(a) above, including, without limitation:

- (i) amendments of a housekeeping nature;
- (ii) the addition of or a change to vesting provisions of a security or the Plan;
- (iii) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date; and
- (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

3.10 No Representation or Warranty

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

3.11 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3.12 Compliance with Applicable Law

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

Approved by the Board on April 24, 2024.

EXHIBIT A

BLACK IRON INC.

INCENTIVE STOCK OPTION PLAN

OPTION COMMITMENT

Notice is hereby given that, effective this ____ day of _____, 20____ (the "**Effective Date**"), [Black Iron Inc.] (the "**Company**") has granted to _____ (the "**Optionee**"), an Option to acquire _____ Common Shares (the "**Shares**") on or prior to 5:00 p.m. (Toronto Time) on the ____ day of _____ (the "**Expiry Date**") at an exercise price of Cdn. \$_____ per Share.

Shares may be acquired as follows:



The grant of the Option evidenced hereby is made subject to the terms and conditions of the Company's 2014 Stock Option Plan (the "**Stock Option Plan**"), the terms and conditions of which are hereby incorporated herein.

To exercise your Option, deliver a written notice specifying the number of Shares you wish to acquire, together with a certified cheque or bank draft payable to the Company for the aggregate exercise price, to the Company or as otherwise instructed by the Company. A certificate for the Shares so acquired will be issued by the Company's transfer agent as soon as practicable thereafter.

The undersigned hereby acknowledges having read the Stock Option Plan and agrees to the terms and conditions of the Stock Option Plan.

The undersigned Optionee hereby authorizes the Company to withhold any remuneration payable to the undersigned for the purposes of paying any taxes owing as a result of the undersigned's participation in the Stock Option Plan and hereby further authorizes the Company to remit such amounts owing to the relevant taxation authorities on the undersigned's behalf.

BLACK IRON INC.

Authorized Signatory

[Name of Optionee]

APPENDIX "C"
Amended and Restated Deferred Share Unit Plan

BLACK IRON INC.

Deferred Share Unit Plan

April 24, 2024

Definitions and Interpretation

1.01 **Definitions:** For purposes of the DSU Plan, unless a word or term is otherwise defined it shall have the following meanings:

- (a) "Acceptable Equity Awards" means any DSUs or other equity awards that are granted to or taken by a non-employee director in place of cash fees, provided that the equity award granted has an initial value that is equal to the value of the cash fees given up in exchange therefor;
- (b) "Act" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;
- (c) "Annual Remuneration" means, in respect of a Director, all amounts payable to a Director by the Corporation in respect of services provided to the Corporation by the Director in a calendar year, including without limitation (i) annual base retainer fee for serving as a Director; (ii) annual retainer fee for serving as a member of a Board committee; (iii) annual retainer fee for chairing a Board committee; (iv) fees for attending meetings of the Board, but, for greater certainty, excludes amounts received by a Director as a reimbursement for expenses incurred in attending meetings of the Board.
- (d) "Board" means the board of directors of the Corporation;
- (e) "Change of Control" means any of the following:
 - (i) a takeover bid (as defined in the *Securities Act* (Ontario)), which is successful in acquiring Common Shares,
 - (ii) the sale of all or substantially all the assets of the Corporation,
 - (iii) the sale, exchange or other disposition of a majority of the outstanding Common Shares in a single transaction or series of related transactions,
 - (iv) the dissolution of the Corporation's business or the liquidation of its assets,
 - (v) a merger, amalgamation or arrangement of the Corporation in a transaction or series of transactions in which the Corporation's shareholders receive less than 51% of the outstanding shares of the new or continuing corporation,
 - (vi) the acquisition, directly or indirectly, through one transaction or a series of transactions, by any person or entity, of an aggregate of more than 50% of the outstanding Common Shares,
 - (vii) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Corporation's board of directors do not constitute a majority of the Corporation's board of directors.
- (f) "Committee" means the Board or the Corporate Governance and Compensation Committee of the Corporation;
- (g) "Common Shares" means the common shares of the Corporation;
- (h) "Corporation" means Black Iron Inc., a corporation incorporated under the Act;

- (i) "Designated Affiliate" means an affiliate of the Corporation designated by the Committee for purposes of the DSU Plan from time to time;
- (j) "Director" means a member of the Board from time to time;
- (k) "DSU" means the right to receive a DSU Payment evidenced by way of book-keeping entry in the books of the Corporation and administrated pursuant to the DSU Plan, the value of which, on a particular date, shall be equal to the Market Value at that date;
- (l) "DSU Grant Letter" has the meaning in section 3.03;
- (m) "DSU Issue Date" means the date recommended by the Committee and, if the Committee is not the Board, confirmed by the Board from time to time. If a DSU Issue Date falls during a blackout period pursuant to the Corporation's Disclosure, Confidentiality and Insider Trading Policy, such DSU Issue Date shall become the fifth trading day following the expiry of such blackout period, unless otherwise determined by the Board;
- (n) "DSU Payment" means, subject to the effectiveness of Sections 6.02 and 6.03 hereof, a cash payment by the Corporation to a Participant equal to the Market Value of a Common Share on the Separation Date multiplied by the number of DSUs held by the Participant on the Separation Date;
- (o) "DSU Plan" means this amended and restated deferred share unit plan;
- (p) "Eligible Director" means a person who is a Director or a member of the board of directors of any Designated Affiliate and who, at the relevant time, is not otherwise an employee of the Corporation or of a Designated Affiliate, and such person shall continue to be an Eligible Director for so long as such person continues to be a member of such boards of directors and is not otherwise an employee of the Corporation or of a Designated Affiliate;
- (q) "Market Value" means the weighted average trading price of the Common Shares on the TSX for the five (5) consecutive trading days immediately prior to the date as of which Market Value is determined. If the Common Shares are not trading on the TSX, then the Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the Common Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion;
- (r) "Participant" for the DSU Plan means each Eligible Director to whom DSUs are issued;
- (s) "Separation Date" means the date that a Participant ceases to be an Eligible Director for any reason whatsoever, including death, of the Eligible Director, and is otherwise not employed by the Corporation or a Designated Affiliate;
- (t) "Stock Exchanges" means collectively, the TSX and any other stock exchange on which the Common Shares may be listed from time to time; and
- (u) "TSX" means The Toronto Stock Exchange.

1.02 **Securities Definition:** In the DSU Plan, the term "affiliate", shall have the meaning given to such term in the *Securities Act* (Ontario).

1.03 **Headings:** The headings of all articles, parts, sections, and paragraphs in the DSU Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the DSU Plan.

1.04 **Context, Construction:** Whenever the singular or masculine are used in the DSU Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

1.05 **Canadian Funds:** Unless otherwise provided, all references to dollar amounts in the DSU Plan are to lawful money of Canada.

Purpose and Administration of the DSU Plan

2.01 **Purpose of the DSU Plan:** The purpose of the DSU Plan is to strengthen the alignment of interests between the Eligible Directors and the shareholders of the Corporation by linking director compensation to the future value of the Common Shares. In addition, the DSU Plan has been adopted for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of directors of the Corporation and the Designated Affiliates of the Corporation, it being generally recognized that DSU plans aid in attracting, retaining and encouraging director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares.

2.02 **Administration of the DSU Plan:** The DSU Plan shall be administered by the Committee and the Committee shall have full discretionary authority to administer the DSU Plan including the authority to interpret and construe any provision of the DSU Plan and to adopt such rules and regulations for administering the DSU Plan as the Committee may deem necessary in order to comply with the requirements of the DSU Plan, acting reasonably. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. All costs incurred in connection with the DSU Plan shall be for the account of the Corporation.

2.03 **Delegation to Compensation Committee:** All of the powers exercisable under the DSU Plan, may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by the Compensation Committee.

2.04 **Record Keeping:** The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant in the DSU Plan;
- (b) the number of DSUs granted to each Participant under the DSU Plan; and
- (c) the date and price at which DSUs were granted.

Elections

3.01 Subject to such rules, regulations, approvals and conditions as the Committee may impose, a Director may elect to request payment of all or a portion of his or her Annual Remuneration in the form of Deferred Share Units.

3.02 To request payment of all or a portion of Annual Remuneration in the form of Deferred Share Units, a Director shall complete and deliver to the Corporate Secretary of the Corporation a written election in the form attached as Schedule A hereto:

- a) for the Annual Remuneration entitled to be received by the Director during the Stub Year, no later than thirty (30) days after the Effective Date; and
- b) for the Annual Remuneration entitled to be received by the Director for any Fiscal Year following the Stub Year, no later than December 31 of the immediately preceding Fiscal Year.

3.03 A Director shall be entitled to elect one of the following three (3) options with respect to the deferred payment of his or her Annual Remuneration:

- a) 25% of the Annual Remuneration' in the form of Deferred Share Units;
- b) 50% of the Annual Remuneration in the form of Deferred Share Units; or
- c) 75% of the Annual Remuneration in the form of Deferred Share Units.

3.04 A Director's election received by the Corporate Secretary of the Corporation under Section 4.2 shall be irrevocable and shall continue to apply until the Director completes and delivers to the Corporate Secretary of the Corporation a revised election which may increase or decrease the percentage of deferred payment of his or her Annual Remuneration in the form of Deferred Share Units in accordance with the options set out in Section 4.3. Any such revised election shall be effective in respect of the next full Fiscal Year commencing after the date which such revised election is delivered. A Director may make one revised election per Fiscal Year. Directors shall not, subject to their initial election set out in Section 4.2(a), be entitled to make any revised elections for the period applicable to the Stub Year.

3.05 The Annual Remuneration payable in respect of each Quarter in the form of DSUs to the Directors shall be recorded by the Corporation as soon as practicable after the last day of each Quarter. The Annual Remuneration payable in the form of DSUs to the Directors shall be recorded by the Corporation as soon as practicable after March 31 of each Fiscal Year. Notwithstanding any election by a Director under the Plan, the Committee may, in its sole discretion, decline to award DSUs in respect of a Director's Annual Remuneration and instead require the Director to receive cash for Annual Remuneration in the ordinary course.

3.06 A Participant's DSU account will be credited with the number of DSU's determined by dividing the dollar amount of compensation payable in DSU's on the payment date by the Market Value of the Common Shares at the time. Market Value means the closing price of a Common Share on the TSX averaged over the five (5) consecutive trading days immediately preceding the date of grant or the redemption date, as the case may be.

DSU Plan

4.01 **Participants:** The Committee may grant and issue to each Eligible Director on each DSU Issue Date, that number of DSUs as determined by resolution of the Committee.

4.02 **Redemption:** Each vested DSU held by a Participant who ceases to be an Eligible Director shall be redeemed by the Corporation on the relevant Separation Date for a DSU Payment to be made to the Participant on such date as the Corporation determines not later than 60 days after the Separation Date and in any event no later than December 31 of the following calendar year, without any further action on the part of the holder of the DSU in accordance with the terms of this part 4.

If a DSU is subject to vesting condition(s), the Participant holding such DSU shall not be entitled to the DSU Payment if the Participant ceases to be an Eligible Director, other than if the Participant ceases to be an Eligible Director in the event of, in connection with, or as a result of, a Change of Control, prior to the vesting condition(s) having been satisfied, and such DSU shall then be deemed cancelled. In the event of a Change of Control, each DSU shall automatically vest and be redeemable upon the occurrence of the Separation Date in accordance with the preceding paragraph.

4.03 **DSU Letter:** Each grant of DSUs under the DSU Plan shall be evidenced by a letter of the Corporation ("DSU Grant Letter"). Such DSUs shall be subject to all applicable terms and conditions of the DSU Plan and may be subject to any other terms and conditions, including, without limitation, vesting conditions, which are not inconsistent with the DSU Plan and which the Committee deems appropriate for inclusion in a DSU Grant Letter. The provisions of the various DSU Grant Letters entered into under the DSU Plan need not be identical, and may vary from grant to grant and from Participant to Participant.

4.04 **Dividends:** In the event that a dividend (other than stock dividend) is declared and paid by the Corporation on Common Shares, a Participant will be credited with additional DSUs on the same terms as the DSUs proposed herein. The number of such additional DSUs will be calculated by dividing the total amount of the dividends that would have been paid to the Participant if the DSUs in the Participant's account on the dividend record date had been outstanding Common Shares (and the Participant held no other Common Shares), by the closing price of a Common Share on the TSX on the date on which the dividends were paid on the Common Shares.

4.05 **Term of the DSU Plan:** The DSU Plan shall be deemed to become effective as of **[DATE]**. The DSU Plan shall remain in effect until it is terminated by the Board. Upon termination of the Plan, the

Corporation shall redeem all remaining DSUs under section 3.02, as at the applicable Separation Date for each of the remaining Participants.

Withholding Taxes

5.01 **Withholding Taxes:** The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts that the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold.

General

6.01 **Amendment of DSU Plan:** Subject to Section 6.02, the Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the DSU Plan, provided that any amendment, modification or change to the provisions of the DSU Plan that would:

- (a) materially increase the benefits under the DSU Plan;
- (b) materially modify the requirements as to eligibility for participation in the DSU Plan; or
- (c) terminate the DSU Plan.

shall only be effective upon such amendment, modification or change being approved by the Board and, if sections 7.02 and 7.03 become effective, approval of shareholders of the Corporation and the Stock Exchanges and any other regulatory authorities having jurisdiction over the Corporation, and provided any such amendment shall be effective only if the DSU Plan will continue to meet the requirements of paragraph 6801(d) of the regulations to the *Income Tax Act* (Canada) or any successor provision.

6.02 **Amendment of DSU Plan Where Treasury Shares Issuable:** If sections 7.02 and 7.03 become effective, the Committee's discretion to amend, modify and change the provisions of the DSU Plan, acting reasonably, shall be limited to such amendments that are of a "housekeeping" nature including the addition of or a change to vesting provisions of a security or the DSU Plan or a change to the election provisions which does not entail an increase to the maximum percentage of Annual Remuneration the non-executive directors are permitted to receive in DSUs, and will not, without receipt of shareholder approval (whether or not required by law or regulation) and regulatory approval, make any amendment to the DSU Plan that:

- (vi) Increases the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage;
- (vii) Changes the definition of "Participants" which would have the potential of narrowing or broadening or increasing insider participation;
- (viii) Any amendment to shorten the vesting conditions;
- (ix) Any amendment that would permit the DSUs to be transferable (other than as provided herein);
- (x) any other amendments that to the plan amendment provisions.;

and shall only be effective upon such amendment, modification or change being approved by the Board, Shareholders of the Corporation and the Stock Exchanges and any other regulatory authorities having jurisdiction over the Corporation, and provided any such amendment shall be effective only if the DSU Plan will continue to meet the requirements of paragraph 6801(d) of the regulations to the *Income Tax Act* (Canada) or any successor provision.

6.03 **Non-Assignable:** Except as otherwise may be expressly provided for under this DSU Plan or pursuant to a will or by the laws of descent and distribution, no DSU and no other right or interest of a Participant is assignable or transferable, and any such assignment or transfer in violation of this DSU Plan shall be null and void.

6.04 **Rights as a Shareholder and Director:** No holder of any DSUs shall have any rights as a shareholder of the Corporation at any time. Nothing in the Plan shall confer on any Eligible Director the

right to continue as a Director of the Corporation or as a director of any Designated Affiliate or interfere with right to remove such director.

6.05 Adjustment in Number of Payments Subject to the DSU Plan: In the event there is any change in the Common Shares, whether by reason of a stock dividend, stock split, reverse stock split, consolidation, subdivision, reclassification or otherwise, an appropriate proportionate adjustment shall be made by the Committee with respect to the number of DSUs then outstanding under the DSU Plan as the Committee, in its sole discretion, may determine to prevent dilution or enlargement of rights.

All such adjustments, as determined by the Committee, shall be conclusive, final and binding for all purposes of the DSU Plan.

6.06 No Representation or Warranty: The Corporation makes no representation or warranty as to the future value of any rights under DSUs issued in accordance with the provisions of the DSU Plan. No amount will be paid to, or in respect of, an Eligible Director under this DSU Plan or pursuant to any other arrangement, and no additional DSUs will be granted to such Eligible Director to compensate for a downward fluctuation in the price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Director for such purpose.

6.07 Compliance with Applicable Law: If any provision of the DSU Plan or any DSU contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance.

6.08 Interpretation: This DSU Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

6.09 Unfunded Benefit: Subject to section 7.03, below, all DSU Payments to be made constitute unfunded obligations of the Corporation payable solely from its general assets and subject to the claims of its creditors. The Corporation has not established any trust or separate fund to provide for the payment of benefits under the DSU Plan.

6.10 No Other Benefit: No amount will be paid to, or in respect of, a Participant under the DSU Plan to compensate for a downward fluctuation in the price of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the Income Tax Act (Canada)), for such purpose.

ADDITIONAL PROVISION FOR TREASURY BASED SHARE ISSUANCES

7.01 Effectiveness: Sections 7.02 and 7.03 shall become effective only upon receipt by the Corporation of the necessary TSX approval, including requisite shareholder approval.

7.02 Treasury Issuances: Upon this section becoming effective, the Corporation shall have the power, at the Committee's discretion, and upon mutual agreement of the specific holder of the DSUs, to satisfy DSU Payments payable under DSUs by the issuance of Common Shares from treasury on the basis of, subject to adjustment in accordance with Section 6.04, one Common Share for each DSU. If the Required Shareholder Approval is not obtained, no Common Shares shall be issuable from treasury in respect of DSUs issuable under this DSU Plan. If applicable, share certificates or other evidence of Common Shares issued pursuant to this section shall bear any legend as may be required by applicable securities laws or Stock Exchange rules.

7.03 **Maximum:** The maximum number of Common Shares made available for the DSU Plan shall not exceed 5% of the issued and outstanding Common Shares at the time of grant. In addition, the aggregate number of Common Shares reserved for issuance pursuant to this DSU Plan and any other securities-based compensation arrangement (pre-existing or otherwise) of the Corporation (as defined by applicable securities laws) shall not exceed 10% of the Common Shares outstanding from time to time. The aggregate number of Common Shares issuable to Eligible Directors pursuant to this DSU Plan together with any shares issued pursuant to any other security based compensation arrangement, but excluding all DSUs and other securities that are Acceptable Equity Awards, shall not exceed 1% of the total number of outstanding Common Shares of the Company on a non-diluted basis and the award value of all awards (together with the award value of all other rights granted under any other security based compensation arrangement), but excluding all DSUs and other securities that are Acceptable Equity Awards, to ~~the~~ any one Eligible Director shall not exceed \$100,000 per year per Eligible Director. Insider participation is limited to the number of the Company's issued Common Shares: (i) issued to insiders of the Company within any one-year period, and (ii) issuable to insiders of the Company, at any time, pursuant to the DSU Plan or when combined with all of the Company's other security based compensation arrangements, which cannot exceed 10% of the Company's total issued and outstanding Common Shares, respectively.

Schedule A
Deferred Share Unit Plan for Directors of Black Iron Inc. (the "Plan")

PARTICIPATION ACKNOWLEDGEMENT AND ELECTION NOTICE - Sections 4.2 and 4.3 of the Plan
I. Acknowledgment of Corporation

The Corporation acknowledges that it has established the Plan for the benefit of Directors in accordance with Section 6801 (d) of the Regulations promulgated under the Income Tax Act (Canada).

II. Election

The Director hereby elects to participate in the Plan and to receive (check):

25% or 50% or 75%

of the Annual Remuneration that may be payable to him or her after the effective date of this election in the form of Deferred Share Units ("DSUs") and the balance of any such Directors' Annual Remuneration in cash, net of applicable source deductions.

III. Acknowledgement of Director

The Director hereby confirms and acknowledges that:

1. He or she has received and reviewed a copy of the terms of the Plan and agrees to comply with them.
2. Notwithstanding this election, the Committee retains discretion to decline to grant DSUs, in which case he or she will receive their Annual Remuneration in cash.
3. He or she will not be entitled to cause the Corporation or any Affiliate thereof to redeem DSUs granted under the Plan until no longer either a Director of the Corporation or an Affiliate.
4. When DSUs credited to his or her account pursuant to this election are redeemed in accordance with the terms of the Plan (after he or she is no longer either a Director of the Corporation or any Affiliate), income tax and other withholding requirements will arise and the Corporation will make all source deductions as are required by law.
5. The value of DSUs is based on the value of the common voting shares of the Corporation and is therefore not guaranteed.
6. No funds will be set aside by the Corporation to guarantee the payment of DSUs. The obligation of the Corporation to pay DSUs will remain an unfunded and unsecured liability recorded on its books.
7. This election will be in effect until he or she makes and delivers a revised election and cannot be retroactively changed.
8. In the event of any discrepancy between the terms of the Plan and the terms of this Election Notice, the terms of the Plan shall prevail. All capitalized expressions used herein shall have the same meaning as in the Plan unless otherwise defined herein.
9. Neither the Plan nor anything contained herein constitutes tax or employment law advice to him or her and he or she is responsible for seeking independent counsel in all such matters.

IV. Effective Date

This election shall be effective on the date on which it is received by the Corporate Secretary of the Corporation.

Date

(Name of Director)

(Signature of Director)

Received and acknowledged by the Corporation the ____ day of _____, 20____ by

Signature

Name

Title