

ATHA ENERGY CORP.

Management Information Circular

and

Notice of Annual and Special Meeting of Shareholders

**To be held on
January 20, 2023
at 10:00 a.m. (Vancouver Time)
1250-1066 Hastings Street W.
Vancouver, British Columbia, V6E 3X1**

ATHA ENERGY CORP.

**1250-1066 Hastings Street W.
Vancouver, British Columbia
V6E 3X1**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of ATHA Energy Corp. (the “**Corporation**”) will be held on January 20, 2023 at 1250-1066 Hastings Street W., Vancouver, British Columbia at 10:00 a.m. (Vancouver time), for the following purposes:

1. to receive the consolidated audited financial statements of the Corporation for the fiscal year ended December 31, 2021, and the auditor’s report thereon;
2. to fix the number of directors to be elected at the Meeting at five and to elect the directors of the Corporation to hold office until the close of business of the next annual meeting of the Corporation’s shareholders;
3. to appoint Davidson & Company LLP as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
4. to pass an ordinary resolution approving the Corporation’s equity incentive plan; and
5. to transact such other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

Accompanying this Notice of Meeting is a management information circular dated December 28, 2022 (the “**Circular**”) and a form of proxy. Information relating to the items above is set forth in the Circular. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is December 16, 2022 (the “**Record Date**”). Only Shareholders whose names have been entered in the registers of Shareholders on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

Due to the ongoing concerns related to the spread of the coronavirus (COVID-19) and in order to protect the health and safety of shareholders, employees and other stakeholders and the community, shareholders are strongly encouraged to vote on the matters before the Meeting by proxy, appointing the person designated by management in the proxy form or voting instruction form.

To be valid, the enclosed form of applicable proxy must be received by the Corporation’s transfer agent and registrar, Odyssey Trust Company (the “Transfer Agent**” or “**Odyssey**”) at Trader’s Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8 by no later than 10:00 a.m. (Vancouver time) on January 18, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.**

The Corporation reserves the right to take any additional precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 pandemic and in order to ensure compliance with federal, state and local laws and orders, including without limitation: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these

changes by way of news release, which will be filed under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. We strongly recommend that you check the Corporation's website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 pandemic, the Corporation will not prepare or mail amended materials in respect of the Meeting.

Registered Shareholders are those persons who are named as owners of Common Shares on the register of Shareholders maintained by the Transfer Agent. A significant number of persons who beneficially own Common Shares hold those Common Shares in a brokerage account or through some other intermediary. In almost all cases, a person whose Common Shares are held through a broker (or other intermediary) will not appear as the registered holder of such Common Shares on the register of Shareholders. Non-registered Shareholders (i.e., persons whose Common Shares are not held in their own name) do not have the same legal rights as registered Shareholders in respect of shareholder meetings (including the right to vote directly at shareholder meetings and to appoint a proxyholder), and non-registered Shareholders will be required to act through the Transfer Agent, or their broker (or other intermediary) in order to have their Common Shares voted at the Meeting.

DATED at Vancouver, this 28th day of December, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Mike Castanho*"

Mike Castanho

Director and Chief Executive Officer

ATHA ENERGY CORP

MANAGEMENT INFORMATION CIRCULAR

Dated: December 28, 2022

MANAGEMENT INFORMATION CIRCULAR

Except as otherwise indicated, the information contained herein is given as of December 28, 2022. All references in this management information circular to dollars or "\$" are to Canadian dollars.

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management ("Management") of ATHA Energy Corp. (the "Corporation" or "ATHA") for use at the annual general and special meeting (the "Meeting") of holders (the "Shareholders") of common shares of the Corporation (the "Common Shares") to be held on January 20, 2023 at 10:00 a.m. (Vancouver Time) at 1250-1066 Hastings Street W., Vancouver, British Columbia for the purposes set forth in the attached Notice of Meeting (the "Notice") or at any adjournment thereof.

The Corporation strongly encourages Shareholders to vote on the matters before the Meeting by proxy, appointing the person designated by management in the proxy form or voting instruction form. The Corporation asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions provided by the relevant governmental authorities and agencies including recommendations to stay at home for the prescribed period if returning from a COVID-19 affected region or following potential exposure to COVID-19. The Corporation also strongly encourages Shareholders NOT to attend the Meeting in person if experiencing any of the described COVID-19 symptoms, such as fever, cough and difficulty breathing. Shareholders attending the Meeting are requested to follow certain hygiene measures, including wearing a face covering which covers mouth, nose and chin, washing or disinfecting hands upon arrival at the Meeting, and covering their mouth and nose with their arm when coughing or sneezing, and practicing applicable social distancing rules. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak.

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VOTING AND PROXY INFORMATION

Solicitation of Proxies

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication, by employees of the Corporation who will not be specifically remunerated therefor. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your securities holdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding such securities on your behalf.

Participation at the Meeting

Due to the ongoing concerns related to the spread of the coronavirus (COVID-19) and in order to protect the health and safety of Shareholders, employees, other stakeholders and the community, Shareholders are strongly encouraged to vote on the matters before the Meeting by proxy, appointing the person designated by management in the proxy form or voting instruction form.

In light of the rapidly evolving news and guidelines related to the COVID-19 pandemic, we ask that, in considering whether to attend the Meeting in person, which is strongly discouraged, Shareholders follow the instructions of any provincial, regional or other health authorities holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All Shareholders are strongly encouraged to vote by submitting their proxy form (or voting instruction form) prior to the Meeting by one of the means described in this Circular.

The Corporation reserves the right to take any additional precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 pandemic and in order to ensure compliance with federal, state and local laws and orders, including without limitation: (i) holding the Meeting solely virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled outside of Canada within the 14 days immediately prior to the Meeting; (v) denying access to persons who are not able to provide proof of double vaccination; and (vi) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation’s profile on SEDAR at www.sedar.com. We strongly recommend that you check the Corporation’s website prior to the Meeting for the most current

information. In the event of any changes to the Meeting format due to the COVID-19 pandemic, the Corporation will not prepare or mail amended materials in respect of the Meeting.

Unless otherwise stated, the information contained in this Circular is given as of December 28, 2022.

All time references in this Circular are in Pacific Standard Time (Vancouver time).

Appointment, Time for Deposit and Revocation of Proxies

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper form of proxy to the Corporation's transfer agent, Odyssey Trust Company, at Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8 by no later than 10:00 a.m. (Vancouver time) on January 18, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at <https://login.odysseytrust.com/pxlogin> Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper Instrument of Proxy. Shareholders who wish to vote using internet should follow the instructions provided in the enclosed Instrument of Proxy. Votes cast electronically must be submitted no later than 10:00 a.m. (Vancouver time) on January 18, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

The persons named as proxyholders in the form of proxy accompanying this Circular are directors or officers of the Corporation and are representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as his, her or its representative at the Meeting may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Chief Executive Officer of the Corporation, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

In order to validly appoint a proxy, Instruments of Proxy must be received by the Corporation's transfer agent, Odyssey Trust Company, at Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8, by no later than 10:00 a.m. (Vancouver time) on January 18, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting. After such time, the chair of the Meeting may accept or reject a form of proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Instrument of Proxy.

Non-Registered Holders

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name and thus are considered non-registered beneficial shareholders. Only registered holders of Common Shares or the

persons they appoint as their proxyholder are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIAs, RESPs, TFSAs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. Non-Registered Holders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. In accordance with the requirements of the Canadian Securities Administrators, the Corporation will have distributed copies of the Notice, the Circular and the enclosed Instrument of Proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. If you are a Non-Registered Holder, your Intermediary will be the entity legally entitled to vote your Common Shares at the Meeting. Common Shares held by an Intermediary can only be voted upon the instructions of the Non-Registered Holder. Without specific instructions, Intermediaries are prohibited from voting Common Shares.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Non-Registered Holders in advance of the Meeting. Often, the form of proxy supplied to a Non-Registered Holder by its Intermediary is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Non-Registered Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Non-Registered Holder may call a toll-free telephone number or access the internet to provide instructions regarding the voting of Common Shares held by the Non-Registered Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Non-Registered Holder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such Common Shares voted.

Non-Registered Holders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary, a Non-Registered Holder may attend the Meeting as proxyholder for the Intermediary and vote the Common Shares in that capacity. **Non-Registered Holders who wish to indirectly vote their Common Shares as a proxyholder, should enter their own names in the blank space on the Instrument of Proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting.**

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

The purpose of the above-noted procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Non-Registered Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the Instrument of Proxy or voting instruction form is to be delivered.

Pursuant to NI 54-101, the Corporation is distributing copies of proxy-related materials in connection with the Meeting indirectly to non-objecting beneficial owners of Common Shares. The Corporation is not relying on the notice and access delivery procedures to distribute copies of proxy-related materials in connection with the Meeting. The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners (“OBOS”) under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. An OBO is a Non-Registered Holder that objects to their intermediary disclosing their ownership information.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed in the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the offices of counsel to the Corporation at Pushor Mitchell LLP, 301 – 1665 Ellis Street, Kelowna, BC V1Y 2B3, Attention: Keith Inman, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or deposited with the chair of the Meeting on the day of the Meeting, or any adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. As well, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chair of the Meeting before the proxy is exercised) and vote in person (or withhold from voting). If a Shareholder has voted on the internet and wishes to change such vote, such Shareholder may vote again through such means before 10:00 a.m. (Vancouver time) on January 18, 2023 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

Signature on Proxies

The form of proxy attached to this Circular must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person’s capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxyholder on how to vote his, her or its Common Shares by completing the blanks on the form of proxy.

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such Common Shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW. If any amendment or variation to the matters

identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Instrument of Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Circular, the management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Quorum

For the Meeting, a quorum will be present if two persons who are, or who represented by proxy, shareholders who, in the aggregate, hold at least 5% of the issued and outstanding Common Shares.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Record Date

The Corporation has fixed the close of business on December 16, 2022 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting.

Description of Voting Shares

The Corporation is authorized to issue an unlimited number of Common Shares, of which 51,341,388 Common Shares are issued and outstanding as at the date of this Circular. The Common Shares are the only voting shares of the Corporation which are issued and outstanding as of the Record Date. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting.

The Corporation’s capital structure also consists of an unlimited amount of preferred shares. There are no preferred shares issued and outstanding in the capital of the Corporation as of the date of this Circular.

In accordance with the provisions of the *Business Corporations Act* (British Columbia), the Corporation will prepare a list of the Shareholders on the Record Date. Each Shareholder named in the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list.

Beneficial Ownership of 10% or More of Voting Shares

To the knowledge of the directors and senior officers of the Corporation, and based upon the Corporation’s review of the records maintained by the Transfer Agent and insider reports filed with the System for Electronic Disclosure by Insiders (“**SEDI**”), as at the Record Date, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights of the total issued and outstanding Common Shares.

BUSINESS OF THE MEETING

To the knowledge of the Board of Directors of the Corporation (“**Board**”), the matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Presentation of Financial Statements

The audited financial statements of the Corporation for the year ended December 31, 2021, and the report of the auditor thereon, which accompany this Circular, will be placed before shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Corporation are available under the Corporation's issuer profile on SEDAR at www.sedar.com. Receipt at the Meeting of the auditor's report and the Corporation's audited annual financial statements will not constitute approval or disapproval of any matters referred to therein.

2. Election of Directors

The Board currently consists of three directors. The term of office for each of the present directors of the Corporation expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting be fixed at five directors and that each of the persons whose name appears below be elected as a director of the Corporation to serve until the close of the next annual meeting of Shareholders or until his successor is elected or appointed. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the election of directors and Shareholders will vote for the election of each individual director separately.

In the event a nominee is unable or unwilling to serve, an event that management of the Corporation has no reason to believe will occur, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion, unless a Shareholder has specified in the form of proxy that the Common Shares subject to such proxy are to be withheld from voting for the election of directors.

The following table sets forth the name and residence of each person to be nominated by management of the Corporation for election as a director, such person's principal occupation, including his present position with the Corporation, the period or periods of his service as a director of the Corporation, whether each nominee is an "independent" director (as that term is defined in National Instrument 52-110 — *Audit Committees ("NI 52-110")*), and the approximate number of Common Shares beneficially owned, directly or indirectly, or subject to control or direction, by such person as at the date of this Circular. Each director's current term of office will expire at the Meeting.

Name, Province and Country of Residence	Principal Occupation	Director of the Corporation Since	Independent Director Yes/No	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾
Mike Castanho <i>British Columbia, Canada</i>	Mr. Castanho has been a Director and Chief Executive Officer of the Corporation since July 7, 2022. Mr. Castanho has been the principal of Axis Capital Ventures Corp. (" Axis Capital "), a private investment firm specializing in venture capital and advisory services, since October 2019. Prior to founding Axis Capital, Mr. Castanho spent sixteen years in financial services with national investment firms, raising capital across a broad range of industries and advising investments for high net worth individuals, institutions and family offices.	July 7, 2022	No	3,075,455

Name, Province and Country of Residence	Principal Occupation	Director of the Corporation Since	Independent Director Yes/No	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾
Morgan Tincher ⁽²⁾ , British Columbia, Canada	Mr. Tincher has been a Director of the Corporation since August 2022. Mr. Tincher has been a management consultant and President of Smorgasbord Holdings Ltd., a private company, since December 2004.	August, 2022	Yes	500,000
Jeff Barber ⁽²⁾ British Columbia, Canada	Mr. Barber has been a Director of the Corporation since August 2022 and its Chief Financial Officer since August 29, 2022. Mr. Barber has been an independent businessman since September 2018. Prior thereto he had been a founder, director and Chief Financial Officer of Hiku Brands Company Ltd. since 2016.	August, 2022	Yes	1,450,000
Sean Kallir Toronto, Ontario	Mr. Kallir has been a portfolio manager of HGC Investment Management Inc. since December 2013.	N/A	Yes	2,500,000
Blake Steele ⁽²⁾ Hong Kong, Hong Kong	Mr. Steele was the President and CEO of Azarga Uranium Corp. from November 2013 to February 2022. He has also been a board director/advisor for various mining companies since March 2022.	N/A	Yes	3,000,000

Notes:

- (1) Individual directors have furnished information as to Common Shares beneficially owned, controlled or directed, directly or indirectly, by such director. The Corporation has relied on this information for purposes of this disclosure.
- (2) Member of the Audit Committee.

To the knowledge of the Corporation, except as disclosed in this Circular, no proposed director:

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

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

Morgan Tincher was (from March 2008 to April 2011) Vice President Finance, and previously (from November 2007 to March 2008) acting Chief Financial Officer of Probe Resources Ltd. (“**Probe**”), then an oil and natural gas exploration and production company publicly trading on the TSX Venture Exchange. Probe was issued a management cease trade order on January 3, 2008 for failure to file its annual financial statements in the required time. Probe’s annual financial statements were filed on February 18, 2008 and the British Columbia Securities Commission issued a revocation order under section 164(1) of the British Columbia Securities Act on February 29, 2008. Probe announced by press release dated November 16, 2010 that Probe’s U.S. subsidiaries had filed voluntary Chapter 11 petitions in U.S. Bankruptcy Court for the Southern District of Texas in Houston, Texas. In March 2011, Probe completed its Chapter 11 Restructuring.

Biographies of Directors

Biographical information regarding the foregoing listed nominees is set forth below:

Mike Castanho

Age 43 - CEO and Director

Mr. Castanho is the principal of Axis Capital, a private investment firm specializing in venture capital and advisory services. Prior to founding Axis Capital, Mr. Castanho spent sixteen years in financial services with national investment firms, raising capital across a broad range of industries and advising investments for high net worth individuals, institutions and family offices.

Jeff Barber

Age 44 - CFO and Director

Mr. Barber was a Co-founder and managing partner of a boutique M&A advisory firm in Calgary. Prior thereto, he was an investment banker with national investment firms and began his career as an economist with Deloitte LLP. Throughout his career, Mr. Barber has worked closely with various public company boards and executive teams to assist in capital markets initiatives and advise on go-public transactions, valuations and M&A mandates. Mr. Barber has been an independent businessman since September 2018. Prior thereto he had been a founder, director and Chief Financial Officer of Hiku Brands Company Ltd. since 2016. He is a CFA charterholder and holds a master’s degree in finance and economics from the University of Alberta.

Morgan Tincher

Age 49 - Independent Director

Mr. Tincher has over 25 years of corporate finance and development experience in the natural resources, technology and entertainment industries, Mr. Tincher has held key board and management positions with a number of public companies. Having particular expertise in capital structure alternatives, financial analysis, investor relations and corporate governance, Mr. Tincher brings valued

depth of perspective to mergers, acquisitions, IPOs and public/private offerings. As a management consultant and investor, Mr. Tincher has been President of Smorgasbord Holdings Ltd. since 2004

Sean Kallir

Age 33- Independent Director.

Mr. Kallir has over 11 years of Investment and Capital Markets Experience. In 2013, Mr. Kallir co-founded HGC Investment Management Inc, a leading Toronto based Hedge Fund with assets under management in excess of CAD\$950MM. As CEO and CIO of HGC Investment Management, Mr. Kallir has achieved leading performance amongst peers, and has been involved in hundreds of M&A transactions. Mr. Kallir holds an Honors BA in Economics from the University of Western Ontario.

Blake Steele

Age 38- Independent Director

Mr. Steele is an experienced metals and mining industry executive and director with extensive knowledge across public companies and capital markets. Mr. Steele was most recently President and CEO of Azarga Uranium Corp., a TSX-listed uranium development and exploration company, where he successfully propelled the business into an advanced stage multi-asset company through M&A and organic growth. Azarga Uranium Corp. was ultimately acquired by enCore Energy Corp for C\$200 million. Mr. Steele is a Chartered Professional Accountant and Chartered Business Valuator in Canada. Mr. Steele received a Bachelor of Commerce (Hons) degree from the UBC Sauder School of Business.

The persons named in the form of proxy which accompanies this Circular intend to vote FOR the fixing of the number of directors to be elected at five directors and the election of the nominees listed above as directors of the Corporation unless the Shareholder of the Corporation has specified in the form of proxy that the Common Shares represented by such form of proxy are to be withheld from voting in respect thereof.

3. Appointment of Auditor

At the Meeting, Shareholders will be asked to appoint Davidson & Company LLP as auditor of the Corporation, to hold office until the next annual meeting of Shareholders. Shareholders will also be asked to authorize the directors of the Corporation to fix the auditors' remuneration.

Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Corporation will be voted "FOR" the appointment of Davidson & Company LLP as auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be fixed by the Board.

4. Equity Incentive Plan

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, approve, a resolution approving the Corporation's omnibus equity incentive plan (the "**Equity Incentive Plan**"), a copy of which is attached hereto as Appendix "B". The Equity Incentive Plan was approved by the Corporation's directors on December 20, 2022.

The purpose of the Equity Incentive Plan is to promote the long-term success of the Corporation and the creation of Shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Corporation. The Equity

Incentive Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of incentive stock options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”) to eligible persons.

The following information is intended as a brief description of the Equity Incentive Plan and is qualified in its entirety by the full text of the Equity Incentive Plan, a copy of which is attached hereto as Appendix “B”.

Shares Subject to the Equity Incentive Plan

The Equity Incentive Plan is a rolling 10% plan such that the aggregate number of Common Shares that may be issued upon the exercise or settlement of all Security-Based Compensation Arrangements (as defined in the Equity Incentive Plan) shall not exceed 10% of the Common Shares issued and outstanding from time to time. Common Shares that were the subject of any Awards (as defined in the Equity Incentive Plan) made under the Equity Incentive Plan that have been settled in cash, or that have been cancelled, terminated, surrendered, forfeited or have expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under the Equity Incentive Plan.

Participation Limits

The Equity Incentive Plan provides that:

- a) unless the Corporation has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to any Participant under the Equity Incentive Plan, within any 12 month period and at any point in time under Equity Incentive Plan, together with Common Shares reserved for issuance to such Participant (and to companies wholly-owned by that participant) under all of the Corporation’s other Security-Based Compensation Arrangements, shall not exceed 5% of the issued and outstanding Common Shares (calculated as at the date of any grant);
- b) unless the Corporation has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to insiders under the Equity Incentive Plan, within any 12 month period, together with Common Shares reserved for issuance to insiders under all of the Corporation’s other Security-Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares (calculated as at the date of any grant);
- c) unless the Corporation has obtained disinterested shareholder approval, the maximum aggregate number of Common Shares issuable to insiders under the Equity Incentive Plan, at any point in time, together with Common Shares reserved for issuance to insiders under all of the Corporation’s other Security-Based Compensation Arrangements, shall not exceed 10% percent of the issued and outstanding Common Shares (calculated as at the date of any grant);
- d) the maximum aggregate number of Common Shares issuable to any one consultant (as defined in the Equity Incentive Plan) under the Equity Incentive Plan, within any 12 month period, together with Common Shares issuable to such consultant under all of the Corporation’s other Security-Based Compensation Arrangements, shall not exceed 2% percent of the issued and outstanding Common Shares (calculated as at the date of any grant); and
- e) the maximum aggregate number of Common Shares issuable pursuant to grants of Options to all investor relation service providers performing investor relations activities under the Equity

Incentive Plan, within any 12 month period, shall not in aggregate exceed 2% percent of the issued and outstanding Common Shares (calculated as at the date of any grant). For the avoidance of doubt, persons performing investor relations activities are only eligible to receive Options under the Equity Incentive Plan; they are not eligible to receive any Performance-Based Award (as defined in the Equity Incentive Plan) or other type of securities based compensation under the Equity Incentive Plan.

Administration of the Equity Incentive Plan

The Equity Incentive Plan shall be administered by the Board and the Board shall have full authority to administer the Equity Incentive Plan, including the authority to interpret and construe any provision of the Equity Incentive Plan and to adopt, amend and rescind such rules and regulations for administering the Equity Incentive Plan as the Board may deem necessary in order to comply with the requirements of the Equity Incentive Plan.

Eligible Persons under the Equity Incentive Plan

When used in connection with the grant of Options, all officers, directors, employees, management company employees and consultants of the Corporation are eligible to participate in the Equity Incentive Plan. When used in connection with the grant of Performance-Based Awards, all officers, directors, employees, management company employees and consultants of the Corporation that do not perform investor relations activities are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the sole and absolute discretion of the Board. Each person who receives a grant under the Equity Incentive Plan is referred to as a “**Participant**”.

Types of Awards

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

Options

Each Option entitles a holder thereof to purchase a prescribed number of Common Shares at an exercise price determined by the Board at the time of the grant of the Option, provided that the exercise price of an Option granted under the Equity Incentive Plan shall not be less than the Discounted Market Price (as defined in the Equity Incentive Plan), and provided that if an Option is proposed to be granted by the Corporation after the Corporation has just been recalled for trading following a suspension or halt, the Corporation must wait at least 10 trading days since the day on which trading in the Corporation’s securities resumes before setting the exercise price for and granting the Option. Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the date of grant of the Option. The Board may, in its absolute discretion, upon granting Options under the Equity Incentive Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Common Shares and may designate different exercise prices and numbers of Common Shares in respect of which each Participant may exercise Options during each respective time period. Subject to the discretion of the Board, the Options granted to a Participant under the Equity Incentive Plan shall vest as determined by the Board on the date of grant of

such Options. If the Board does not specify a vesting schedule at the date of grant, then Options granted to persons, other than those conducting investor relations activities, shall vest fully on the date of grant, and in any event in accordance with the policies of the CSE. Options issued to persons conducting investor relations activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that: (a) no more than 1/4 of the Options vest no sooner than 3 months after the date of grant; (b) no more than another 1/4 of the Options vest no sooner than 6 months after the date of grant; (c) no more than another 1/4 of the Options vest no sooner than 9 months after the date of grant; and (d) the remainder of the Options vest no sooner than 12 months after the date of grant.

If the award agreement for the grant of Options so provides, in the event of a change of control (as defined in the Equity Incentive Plan), all Options granted to a Participant who ceases to be an eligible person shall become fully vested and shall become exercisable by the Participant in accordance with the terms of such award agreement and the Equity Incentive Plan. No acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance for Options issued to persons conducting investor relations activities.

Other than as may be set forth in the award agreement for the grant of Options, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Equity Incentive Plan.

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

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

Where a Participant becomes afflicted by a disability, all Options granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such Options; provided, however, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all Options granted to the Participant under the Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date;

provided, however, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Corporation due to disability, had vested pursuant to terms of the applicable award agreement, will accrue to the Participant in accordance with the Equity Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the termination date, or such longer period as may be provided for in the award agreement or as may be determined by the Board, provided such period does not exceed 12 months after the termination date.

Participants may elect to undertake (i) a broker assisted "cashless exercise" pursuant to which the Corporation or its designee may deliver a copy of irrevocable instructions to a broker engaged for such purposes by the Corporation to sell the Common Shares otherwise deliverable upon the exercise of Options and to deliver promptly to the Corporation an amount equal to the exercise price and all applicable required withholding obligations against delivery of the Common Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Corporation withholding the minimum number of Common Shares otherwise deliverable in respect of an Option that are needed to pay for the exercise price and all applicable required withholding obligations, such that the number of Common Shares received by the Participant is equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised multiplied by the difference between the VWAP (as defined in the Equity Incentive Plan) of the underlying Common Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Common Shares. A "net exercise" may not be undertaken by Participants engaged in investor relations activities.

Restricted Share Units

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Corporation upon specified vesting criteria being satisfied, and subject to the terms and conditions of the Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Common Shares. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the Equity Incentive Plan. All RSUs will vest and become payable by the issuance of Common Shares at the end of the restriction period if all applicable restrictions have lapsed, as such restrictions may be specified in the award agreement.

RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable award agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time a RSU is granted. The Board shall determine any vesting terms applicable to the grant of RSUs, however, no RSUs may vest before the date that is 12 months following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the Equity Incentive Plan) pursuant to which a Participant ceases to be an eligible person, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant in accordance with the Equity Incentive Plan.

Upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant's estate in accordance with the Equity Incentive Plan.

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

Where a Participant becomes afflicted by a disability, all RSUs granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such RSUs; provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all RSUs granted to the Participant under the Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to disability, had vested pursuant to terms of the applicable award agreement will accrue to the Participant in accordance with the Equity Incentive Plan.

As soon as practicable after each vesting date of a RSU, the Corporation shall, at the sole discretion of the Board, either: (a) issue to the Participant from treasury the number of Common Shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the Equity Incentive Plan) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

Performance Share Units

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

Subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of PSUs to eligible persons that do not perform investor relations activities. The number of PSUs to be awarded to any Participant shall be determined by the Board, in its sole discretion, in accordance with the Equity Incentive Plan. Each PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one Common Share.

The Board will select, settle and determine the performance criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An award agreement may provide the Board with the right to revise the performance criteria and the award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an

acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the performance criteria unfair unless a revision is made.

All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the Board on the determination date. No PSU may vest before the date that is 12 months following the date of the award. If the award agreement so provides, in the event of a change of control (as defined in the Equity Incentive Plan) pursuant to which a Participant ceases to be an eligible person, all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any performance criteria) and shall become payable to the Participant in accordance with the Equity Incentive Plan.

Other than as may be set forth in the applicable award agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

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

Where a Participant becomes afflicted by a disability, all PSUs granted to the Participant under the Equity Incentive Plan will continue to vest in accordance with the terms of such PSUs; provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all PSUs granted to the Participant under the Equity Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Payment to Participants in respect of vested PSUs shall be made after the determination date for the applicable award and in any case within 90 days after the last day of the performance cycle to which such award relates. The Corporation shall, at the sole discretion of the Board, either: (a) issue to the Participant the number of Common Shares equal to the number of PSUs that have vested on the Determination Date;

or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the Equity Incentive Plan) on the next trading day after the determination date of the PSUs that have vested, net of applicable withholdings.

Deferred Share Units

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

Subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of DSUs to directors that do not perform investor relations activities in lieu of fees (including annual Board retainers, chair fees, meeting attendance fees or any other fees payable to a director) or to other eligible persons that do not perform investor relations activities as compensation for employment or consulting services. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the Equity Incentive Plan. The number of DSUs shall be specified in the applicable award agreement. Each director may elect to receive any or all of their fees in DSUs under the Equity Incentive Plan.

The number of DSUs shall be calculated by dividing the amount of Fees selected by a director by the Market Unit Price (as defined in the Equity Incentive Plan) on the grant date (or such other price as required under the Policies of the CSE) which shall be the 10th business day following each financial quarter end. Any fractional DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional DSU.

No Deferred Share Units may vest before the date that is 12 months following the date of the award of the DSU.

Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an eligible person for any reason, on a day designated by the Participant and communicated to the Corporation by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date after the Participant ceases to be an eligible person as the Participant and the Corporation may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an eligible person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an eligible person, at the sole discretion of the Board, either: (a) that number of Common Shares equal to the number of vested DSUs credited to the participant's account, such Common Shares to be issued from treasury of the Corporation; or (b) a cash payment in an amount equal to the Market Unit Price on the next trading day after the Participant ceases to be an eligible person of the vested DSUs, net of applicable withholdings.

In the event that the value of a DSU would be determined with reference to a period commencing at a fiscal quarter end of the Corporation and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the DSUs will be made to the Participant with reference to the five (5) trading days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

Upon death of a Participant holding DSUs that have vested, the Participant's estate shall be entitled to

receive, within one year of the Participant's death and at the sole discretion of the Board, a cash payment or Common Shares that would have otherwise been payable in accordance with the Equity Incentive Plan to the Participant upon such Participant ceasing to be an eligible person.

General Provisions of the Equity Incentive Plan

Non-Transferability

No Option or Performance-Based Award and no right under any such Option or Performance-Based Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the CSE. No Option or Performance-Based Award and no right under any such Option or Performance-Based Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Corporation.

Black-out Periods

In the event that the date provided for expiration, redemption or settlement of an award falls within a blackout period imposed by the Corporation pursuant to a trading policy as the result of the bona fide existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the blackout period. Notwithstanding the foregoing, there will be no extension of any award if the Corporation (or the Participant) is subject to a cease trade order (or similar order under applicable law.

Deductions

Whenever cash is to be paid in respect of DSUs, RSUs or PSUs, the Corporation shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Common Shares are to be delivered in respect of DSUs, RSUs or PSUs, the Corporation shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Common Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Corporation in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement, all in accordance with the Policies of the CSE, by delivering (on a form prescribed by the Corporation and in any event in accordance with the Policies of the CSE) an irrevocable direction to a securities broker approved by the Corporation to sell all or a portion of the Common Shares and deliver to the Corporation from the sales proceeds an amount sufficient to pay the required withholding taxes.

Amendments to the Equity Incentive Plan

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders, amend, suspend, terminate or discontinue the Equity Incentive Plan and may amend the terms and conditions of any Options or Performance-Based Awards granted hereunder, subject to:

- a) any required disinterested shareholder approval to (i) reduce the exercise price of an Option or Performance-Based Award issued to an insider or (ii) extend the term of an Option granted to an

insider, in either event, in accordance with the Policies of the CSE while the Common Shares are listed on the CSE;

- b) any required approval of any applicable regulatory authority or the CSE; and
- c) any approval of Shareholders as required by the Policies of the CSE (or otherwise required by the CSE) or applicable law, provided that shareholder approval shall not be required for the following amendments (except that the CSE may require approval of the Shareholders for amendments under items (c)(iii) to (c)(vii) below) and the Board may make any changes which may include but are not limited to:
 - i. amendments of a “housekeeping nature”;
 - ii. amendments for the purpose of curing any ambiguity, error or omission in the Equity Incentive Plan or to correct or supplement any provision of the Equity Incentive Plan that is inconsistent with any other provision of the Equity Incentive Plan;
 - iii. amendments which are necessary to comply with applicable law or the requirements of the CSE;
 - iv. amendments respecting administration and eligibility for participation under the Equity Incentive Plan;
 - v. amendments to the terms and conditions on which Options or Performance-Based Awards may be or have been granted pursuant to Equity Incentive Plan including amendments to the vesting provisions and terms of any Options or Performance-Based Awards;
 - vi. with the exception of Options granted to persons performing investor relations activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Options or Performance-Based Awards; and
 - vii. changes to the termination provisions of an Option, Performance-Based Award or the Equity Incentive Plan which do not entail an extension beyond the original fixed term.

Resolutions Regarding the Adoption of the Equity Incentive Plan

At the Meeting, Shareholders will be asked to consider, if deemed appropriate, approve the following ordinary resolution:

“BE IT HEREBY RESOLVED THAT, as an ordinary resolution:

1. the Equity Incentive Plan, in the form attached as Appendix “B” to the information circular of the Corporation dated as of December 28, 2022 (the “**Circular**”), including the reservation for issuance under the Equity Incentive Plan of security-based compensation arrangements of up to a maximum of 10% of the issued and outstanding Common Shares from time to time, be and is hereby ratified, confirmed and approved;

2. the Board be and is hereby authorized, in its absolute discretion, to administer the Equity Incentive Plan and amend or modify the Equity Incentive Plan in accordance with its terms and conditions and with the policies of the Canadian Securities Exchange (the “CSE”); and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Equity Incentive Plan required by the CSE or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Equity Incentive Plan.”

The persons named in the form of proxy which accompanies this Circular intend to vote FOR the approval of the Equity Incentive Plan unless the Shareholder of the Corporation has specified in the form of proxy that the Common Shares represented by such form of proxy are to be withheld from voting in respect thereof.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

In this Circular, references to the Corporation’s fiscal year ended December 31, 2021 refer to the period from the Corporation’s incorporation on January 14, 2021 to December 31, 2021.

In this Circular, a “**named executive officer**” or “**NEO**” means: (a) the Corporation’s Chief Executive Officer at any time during the 2021 fiscal year; (b) the Corporation’s Chief Financial Officer at any time during the 2021 fiscal year; (c) the three other most highly compensated executive officers of the Corporation at the end of the financial year ended December 31, 2021 whose total compensation, individually, was greater than \$150,000; and (d) each individual who would be a NEO but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor serving in a similar capacity, at the end of the financial year ended December 31, 2021. For the financial year ended December 31, 2021, the Corporation had one (1) NEOs, namely, Scott Ackerman, former Chief Executive Officer and Chief Financial Officer of the Corporation.

Overview

ATHA operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, the Corporation needs to attract, retain and engage a highly talented team of executive officers. The Corporation expects its team to possess and demonstrate strong leadership and management capabilities, as well as foster its culture, which is at the foundation of its success and remains a pivotal part of ATHA’s everyday operations.

ATHA will continue to evaluate its philosophy and compensation program as circumstances require, and plan to continue to review compensation on an annual basis. As part of this process, the Corporation expects to be guided by the philosophy and objectives outlined herein, as well as other factors that may become relevant, such as the cost to ATHA if it were required to find a replacement for a key employee.

Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for the Corporation's most recently completed financial year, being the period from incorporation on January 14, 2021 to December 31, 2021.

Table of compensation excluding compensation securities							
Name and position	Year (ended December 31) ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$)	Total compensation (\$)
Scott Ackerman Former CEO, CFO, Corporate Secretary and Director ⁽³⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil
Rick Cox Former Director ⁽⁴⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil
Brent Ackerman Former Director ⁽⁵⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) For the period from incorporation on January 14, 2021 to December 31, 2021.
- (2) "Perquisites" include perquisites provided to a NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (3) Scott Ackerman resigned as a director and officer of the Corporation on August 29, 2022.
- (4) Rick Cox was appointed a director on March 26, 2021 and resigned on August 29, 2022.
- (5) Brent Ackerman was appointed a director on March 26, 2021 and resigned on July 7, 2022.

External Management Companies

None of the NEOs or directors of the Corporation have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Corporation to provide executive management services to the Corporation, directly or indirectly.

Stock Options and Other Compensation Securities

The table below sets forth all compensation securities that were granted or issued to any NEO or director by the Corporation in the year, being the period from incorporation on January 14, 2021 to December 31, 2021, for services provided or to be provided, directly or indirectly to the Corporation.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of Issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year ended August 31, 2021 (\$)	Expiry date
Scott Ackerman Former CEO, CFO, Corporate Secretary and Director ⁽²⁾	Options	576,369 ⁽¹⁾	March 22, 2021	0.1388	N/A	N/A	February 27, 2023
Rick Cox Former Director ⁽³⁾	Options	N/A	N/A	N/A	N/A	N/A	N/A
Brent Ackerman Former Director ⁽⁴⁾	Options	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) These options were subsequently cancelled on July 8, 2022.
- (2) Scott Ackerman resigned as a director and officer of the Corporation on August 29, 2022.
- (3) Rick Cox was appointed a director on March 26, 2021 and resigned on August 29, 2022.
- (4) Brent Ackerman was appointed a director on March 26, 2021 and resigned on July 7, 2022.

No compensation securities were exercised by any directors or NEOs during the period from incorporation of the Corporation on January 14, 2021 to December 31, 2021. Except as set forth below, no compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified during the period ended December 31, 2021. There are no restrictions or conditions currently in place for converting, exercising or exchanging the compensation securities.

On March 22, 2021, the Corporation granted 1,404,899 Options to a director and, officer, and to consultants of the Corporation, which vested immediately and had an exercise price of \$0.1388 per share (576,369 of these Options were granted to Scott Ackerman, former CEO and CFO of the Corporation).

These Options were subsequently cancelled on July 8, 2022 pursuant to an omnibus option cancellation agreement.

Employment, Consulting and Management Agreements

During the period from incorporation of the Corporation on January 14, 2021 to December 31, 2021, the Corporation did not enter into management contracts with any director, officer, employee or consultant and no management function of the Corporation or its subsidiaries were performed by a person other than the directors and officers of the Corporation and its subsidiaries.

Oversight and Description of Director and Named Executive Officer Compensation

The determination of director and NEO compensation and how and when such compensation is to be determined is subject to the consideration of the Board, as disclosed in more detail below under “Corporate Governance”.

During the financial period from incorporation of the Corporation on January 14, 2021 to December 31, 2021, the Corporation did not provide any compensation to its NEO and directors except for the stock option grants described herein.

Pension Disclosure

The Corporation does not have any pension or retirement plan which is applicable to the NEOs or directors.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of the date of the end of the Corporation’s most recently completed fiscal year on December 31, 2021, regarding the number of Common Shares to be issued upon the exercise of outstanding securities authorized for issuance under the Equity Incentive Plan. The Corporation is seeking Shareholder ratification and approval of the Equity Incentive Plan at the Meeting. See “*Business of the Meeting – Equity Incentive Plan*” for a summary of the material terms of the Equity Incentive Plan.

As at December 31, 2021			
Plan Category	Number of Common Shares to be Issued Upon Exercise/vesting of Outstanding Options/RSUs	Weighted-Average Exercise Price of Outstanding Options/RSUs	Number of Common Shares Remaining Available for Future Issuance under Equity Compensation Plans
Legacy Option Plan	1,404,899 ⁽²⁾	\$0.1388	391,240 ⁽³⁾
Total	1,404,899 ⁽²⁾	\$0.1388	391,240 ⁽³⁾

Notes:

- (1) Pursuant to the Corporation’s legacy option plan, the number of authorized but unissued Common Shares that may be issued upon the exercise of incentive stock options at any time shall not exceed 10% of the issued and outstanding Common Shares at any time.
- (2) These options were subsequently cancelled on July 8, 2022 pursuant to an omnibus option cancellation agreement.
- (3) As at December 31, 2021 there were 17,961,388 Common Shares issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time since the beginning of the most recently completed fiscal year of the Corporation, being the period from incorporation on January 14, 2021 to December 31, 2021, was, a director or officer of the Corporation, no proposed director or officer of the Corporation, and no associate of any such director, officer or proposed nominee, is indebted to the Corporation or to any of its subsidiaries (other than for “routine indebtedness” as defined by applicable securities legislation) or has any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a top priority for the Board and the Corporation’s management as it believes that this will help create and maintain shareholder value in the long term. Unless otherwise noted herein, the commentary regarding the Corporation’s corporate governance objectives, philosophies and policies refer to those of the Corporation following the Transaction.

The Board has carefully considered its corporate governance practices against the corporate governance guidelines set out in National Policy 58-201 – *Corporate Governance Guidelines* and believes that the Corporation is well aligned with such guidelines. The Corporation is also subject to applicable Canadian securities rules and regulations, including the provisions of the BCBCA.

We recognize that good corporate governance plays an important role in our overall success and in enhancing shareholder value and, accordingly, we have adopted certain corporate governance practices and policies. The Board and senior management believe that the Corporation’s current governance practices are appropriate and comply in all material respects with all requisite regulatory and statutory requirements. The disclosure set out below describes our approach to corporate governance.

Board of Directors and Board Mandate

Board Mandate

The Board currently consists of three directors: Mike Castanho, Morgan Tincher and Jeff Barber.

The Board approved a comprehensive corporate governance policy on December 20, 2022 (the “**Corporate Governance Policy**”). Among other things, the Corporate Governance Policy determines the role and overall responsibility of the Board to supervise the management of the business and affairs of the Corporation. The Board, directly and through its Board committees and the Chair of the Board, provides direction to the executive officers of the Corporation, generally through the CEO. The Board has overall responsibility for the Corporation’s strategic planning, compliance and risk management (including crisis preparedness, information system controls, cybersecurity, business continuity and disaster recovery), matters relating to the CEO and other executive officers, corporate governance, and communications with the Corporation’s Shareholders and other stakeholders.

Director Independence

The Corporate Governance Policy requires that the Board be comprised of at least a majority of directors who meet the criteria for independence required by all applicable regulatory bodies and relevant stock exchanges. Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, a director is considered to be independent if he or she is independent within the meaning of NI 52-110). Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship

which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that two of the five nominee directors to the Board will not be considered independent as a result of their current or proposed employment relationships with the Corporation. As such, a 60% majority of directors on the Board are considered independent.

Our current independent Board members are Jeff Barber and Mike Castanho. The non-independent member of our Board is Mike Castanho, the Corporation's Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

Other Directorships

Certain members of the Board are also members of the board of directors of other public companies. The Board has not adopted a director interlock policy but is keeping informed of other public directorships held by its members. No director serves on more than two other public company boards of directors.

The following directors of the Corporation are also directors of other reporting issuers as set out below:

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
Morgan Tincher	Red Rock Capital Corp.	NEX	Director	May 2022	Present
	Three Sixty Solar Ltd. (formerly, Liberty One Lithium Corp.).	NEO	Director, Senior Officer	January 2012	August 2018
	StartMonday Technology Corp. (formerly, Centennial Acquisitions Corp.)	CSE	Director	August 2016	August 2018
Jeffrey Barber	HIKU Brands Company Ltd. (formerly, DOJA Cannabis Company Limited)	CSE	Director/Senior Officer	August 2017	September 2018
	Helium Evolution Incorporated (formerly, Duckhorn Ventures Ltd.)	TSXV	Director	September 2021	Present
	Standard Lithium Ltd.	TSXV NYSE	Director	March 2017	Present
Mike Castanho	Helium Evolution Incorporated (formerly, Duckhorn Ventures Ltd.)	TSXV	Director	September 2021	March 2022

Term of Office

The term of office of the directors expires annually at the time of the Corporation's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Corporation's executive officers expires at the discretion of the Board.

Orientation and Continuing Education

The Board is responsible for the onboarding of new directors and the continuing education of existing directors. Pursuant to its charter, the CNGC develops and annually reviews orientation and education programs for new directors and provides ongoing education for all directors.

Upon joining the Board, each director is provided with an orientation package regarding the role of the Board, its committees and its directors, and the nature and operation of the Corporation's current and past business. They are also provided with a copy of the Board Mandate, Audit Committee Charter, CNGC

Charter, Code of Conduct, Disclosure Policy, Policy Related to Anti-Money Laundering and Anti-Terrorist Financing, Majority Voting Policy and Insider Trading Policy.

The Board encourages directors to participate in continuing education opportunities in order to ensure that the directors maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Corporation's business.

Ethical Business Conduct

The Board has adopted a written code of business conduct (the "**Code of Conduct**") governing the Corporation's employees, officers, and directors. The Code of Conduct sets forth standards of ethical and legal behavior and provides mechanisms for known or suspected ethical or legal violations.

The Code of Conduct addresses, among other things, compliance with laws, rules and regulations, confidentiality, commitment, internal controls and disclosure, protection and proper use of our assets, communications, fair dealing, fair competition, equal employment opportunities and harassment, privacy, and reporting any violations of law, regulation or the Code of Conduct.

The Board monitors compliance with the Code of Conduct. The Code of Conduct is distributed to and signed by each of the Corporation's employees when they are hired.

If we make any material amendment to the Code of Conduct or grant any waivers, including any implicit waiver, from a provision of the Code of Conduct, we will disclose the nature of such amendment or waiver to the extent required by the rules and regulations of the Canadian Securities Administrators. To date, no such amendment or waiver has been made or granted.

The Corporation also has a corporate disclosure Policy (the "**Disclosure Policy**") that is required to be followed by members of the Board, officers and employees. The Disclosure Policy seeks to ensure that material information about the Corporation is communicated in a timely, factual and accurate manner, and broadly disseminated in accordance with applicable legal and regulatory requirements.

Audit Committee

Audit Committee's Charter

The Corporation is required to have an audit committee for the purpose of monitoring and enhancing the quality of the financial information disclosed by the Corporation. The Audit Committee charter (the "**Charter**") is reproduced as Appendix - A.

Composition of Audit Committee

The Audit Committee is comprised of three (3) directors, namely, Morgan Tincher (Chair), Jeff Barber, and Mike Castanho. Each of the members of the Audit Committee is "financially literate" (within the meaning given to such term in National Instrument 51-102 *Continuous Disclosure Obligations*). Morgan Tincher and Jeff Barber are considered "independent". Mike Castanho is considered not to be independent as a result of being an officer of the Corporation. Morgan Tincher serves as Chair of the Audit Committee.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of

accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Corporation's financial statements.

Mike Castanho – *CEO, CFO and Director*

Mr. Castanho is the principal of Axis Capital, a private investment firm specializing in venture capital and advisory services. Prior to founding Axis Capital, Mr. Castanho spent sixteen years in financial services with national investment firms, raising capital across a broad range of industries and advising investments for high net worth individuals, institutions and family offices.

Jeff Barber – *Director*

Mr. Barber was a Co-founder and managing partner of a boutique M&A advisory firm in Calgary. Prior thereto, he was an investment banker with national investment firms and began his career as an economist with Deloitte LLP. Throughout his career, Mr. Barber has worked closely with various public company boards and executive teams to assist in capital markets initiatives and advise on go-public transactions, valuations and M&A mandates. Mr. Barber has been an independent businessman since September 2018. Prior thereto he had been a founder, director and Chief Financial Officer of Hiku Brands Company Ltd. since 2016. He is a CFA charterholder and holds a master's degree in finance and economics from the University of Alberta.

Morgan Tincher – *Director*

Mr. Tincher has over 25 years of corporate finance and development experience in the natural resources, technology and entertainment industries, Mr. Tincher has held key board and management positions with a number of public companies. Having particular expertise in capital structure alternatives, financial analysis, investor relations and corporate governance, Mr. Tincher brings valued depth of perspective to mergers, acquisitions, IPOs and public/private offerings. As a management consultant and investor, Mr. Tincher has been President of Smorgasbord Holdings Ltd. since 2004

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed fiscal year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed fiscal year has the Corporation relied on exemptions in relation to "*De Minimus Non-Audit Services*" or any exemption provided by Part 8 of NI 52-110.

Since the Corporation is a "venture issuer" it relies on the exemption contained in Section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in "Composition of the Audit Committee" above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Corporation's Annual Information Form, if any, and this Circular).

Pre-Approval Policies and Procedures

Pursuant to the terms of the Charter reproduced as Appendix - A, the Audit Committee shall pre-approve

all audit and non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

The table that follows sets out the aggregate fees billed by the Corporation's external auditor, Davidson & Company LLP, Chartered Accountants, for services rendered to the Corporation during the financial period from incorporation on January 14, 2021 to December 31, 2021 and the nine months ended September 30, 2022.

	Fiscal period ended September 30, 2022	Fiscal period from incorporation on January 14, 2021 to December 31, 2021
Audit Fees	\$5,567	\$7,591
Non-Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil
Other	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as disclosed herein, no individual who is, or at any time since the beginning of the most recently completed fiscal year of the Corporation, was, a director or officer of the Corporation, no proposed director or officer of the Corporation, and no associate of any such director, officer or proposed nominee, is indebted to the Corporation or to any of its subsidiaries (other than for "routine indebtedness" as defined by applicable securities legislation) or has any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise set out herein, no other informed person (as such term is defined in the NI 52-110) or proposed nominee for election as a director of the Corporation nor any associate or affiliate of the foregoing has any interest, direct or indirect, in any material transactions in which the Corporation has participated since the date of incorporation on January 14, 2021 or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its associates.

MANAGEMENT CONTRACTS

The Corporation has not entered into management contracts with any director, officer, employee or

consultant and no management function of the Corporation or its subsidiaries are performed by a person other than the directors and officers of the Corporation and its subsidiaries, except as disclosed herein.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative consolidated annual financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2021. Shareholders may contact the Chief Executive Officer of the Corporation in writing at the registered address of the Corporation to request copies of the Corporation's consolidated financial statements and Management's Discussion and Analysis.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the applicable regulatory authorities, have been approved by the directors of the Corporation.

DATED at Vancouver, British Columbia this 28th day of December, 2022

(signed) *"Mike Castanho"*

Mike Castanho
Director and Chief Executive Officer

APPENDIX - A

AUDIT COMMITTEE CHARTER

**ATHA ENERGY CORP.
AUDIT COMMITTEE CHARTER**

PURPOSE

Atha Energy Corp. (the “**Company**”) shall appoint an audit committee (the “**Committee**”) to assist the board of directors (the “**Board**”) of the Company in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures on behalf of the Company and its direct and indirect subsidiaries, the adequacy of internal accounting controls and procedures, and the quality and integrity of the financial statements of the Company. In addition, the Committee is responsible for overseeing the audits of the financial statements of the Company, for directing the auditors’ examination of specific areas, for the selection of the independent external auditors of the Company and for the approval of all non-audit services for which the auditors of the Company may be engaged.

I. STRUCTURE AND OPERATIONS

The Committee shall be comprised of at least three members, each of whom shall be a director of the Company, and at least a majority of which shall meet the independence requirements of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

Each member of the Committee shall satisfy, or work towards satisfying, the “financial literacy” requirement of NI 52-110, by having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the financial statements of the Company.

The members of the Committee shall be annually appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority of the Board.

II. CHAIR OF THE COMMITTEE

Unless the Board elects a Chair of the Committee, the members of the Committee shall designate a Chair by the majority vote of the full Committee membership.

The Chair of the Committee shall:

- (a) Call and conduct the meetings of the Committee;
- (b) Be entitled to vote to resolve any ties;
- (c) Prepare and forward to members of the Committee the agenda for each meeting of the Committee, and include, in the agenda, any items proposed for inclusion in the agenda by any member of the Committee;
- (d) Review with the Chief Financial Officer (“**CFO**”) and the auditors for the Company any matters referred to the Chair by the CFO or the auditors of the Company;
- (e) Appoint a secretary, who need not be a member of the Committee, to take minutes of the meetings of the Committee; and
- (f) Act in a manner that the Committee meetings are conducted in an efficient, effective and focused manner.

III. MEETINGS

The Committee shall meet at least quarterly or more frequently as circumstances dictate. As part of its goal to foster open communication, the Committee shall periodically meet with management and the external auditors in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. The Committee may meet privately with outside counsel of its choosing and the CFO of the Company, as necessary. In

addition, the Committee shall meet with the external auditors and management quarterly to review the Company's financial statements in a manner consistent with that outlined in this Charter.

The Committee may invite to its meetings any partners of the Company, management and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, shall constitute a quorum. A majority of members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent with respect to matters that may be acted upon without a formal meeting.

The Committee shall maintain minutes or other records of meetings and activities of the Committee. Notice of the time and place of every meeting shall be given in writing or electronic communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting provided however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

IV. RESPONSIBILITIES, DUTIES AND AUTHORITY

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal and other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of this Committee.

The Committee in discharging its oversight role is empowered to investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to retain outside counsel, accounting or other advisors for this purpose, including authority to approve the fees payable to such advisors and other terms of retention. In addition, the Committee shall have the authority to communicate directly with both external and internal auditors of the Company.

The Committee shall be given full access to the Board, management, employees and others, directly and indirectly responsible for financial reporting, and external auditors, as necessary, to carry out these responsibilities. While acting within the scope of this stated purpose, the Committee shall have all the authority of the Board.

The Committee shall be responsible for assessing the range of financial and other risks to the business and affairs of the Company that the Board shall focus on, and make recommendations to the Board about how appropriate responsibilities for continuing to identify, monitor and manage these risks are to be delegated. The Committee shall review and discuss with management and the internal and external auditors all major financial risk exposures and the steps management has taken to monitor/control those exposures. In addition, the Committee shall encourage continuous improvement of, and foster adherence to, the Company's financial policies, procedures and practices at all levels in the organization; and provide an avenue of communication among the external auditors, management and the Board.

Absent actual knowledge to the contrary (which shall promptly reported to the Board), each member of the Committee shall be entitled to rely on: (i) the integrity of those persons or organizations within and outside the Company from which it receives information; (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations; and (iii) representations made by management and the external auditors, as to any information technology, internal audit and other non-audit services provided by the external auditors to the Company and its subsidiaries.

V. SPECIFIC RESPONSIBILITIES AND ACTIVITIES

A. Document Reports/Reviews

2. *Annual Financial Statements.* The Committee shall review with management and the external auditors, both together and separately, prior to public dissemination:
 - (a) the annual audited financial statements;
 - (b) the external auditors' review of the annual financial statements and their report;
 - (c) any significant changes that were required in the external audit plan;
 - (d) any significant issues raised with management during the course of the audit, including any restrictions on the scope of activities or access to information; and
 - (e) those matters related to the conduct of the audit that are required to be discussed under generally accepted auditing standards applicable to the Company.

Following completion of the matters contemplated above and in Section 16, the Committee shall make a recommendation to the Board with respect to the approval of the annual financial statements with such changes contemplated and further recommended, as the Committee considers necessary.

3. *Interim Financial Statements.* The Committee shall review with management and may review with the external auditors, both together and separately, prior to public dissemination, the interim unaudited consolidated financial statements of the Company, including to the extent the Committee considers appropriate, a discussion with the external auditors of those matters required to be discussed under generally accepted auditing standards applicable to the Company.
4. *Management's Discussion and Analysis.* The Committee shall review with management and the external auditors, both together and separately prior to public dissemination, the annual Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the Committee shall review with management and may review with the external auditors, interim MD&A.
5. *Approval of Annual MD&A, Interim Financial Statements and Interim MD&A.* The Committee shall make a recommendation to the Board with respect to the approval of the annual MD&A with such changes contemplated and further recommended by the Committee as the Committee considers necessary. In addition, the Committee shall approve the interim financial statements and interim MD&A of the Company, if the Board has delegated such function to the Committee. If the Committee has not been delegated this function, the Committee shall make a recommendation to the Board with respect to the approval of the interim financial statements and interim MD&A with such changes contemplated and further recommended as the Committee considers necessary.
6. *Press Releases.* With respect to press releases by the Company:
 - (a) The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
 - (b) The Committee shall review with management, prior to public dissemination, the annual and interim earnings press releases (paying particular attention to the use of any "pro forma" or "adjusted non-IFRS" information) as well as any financial information and earnings guidance provided to analysts and rating agencies.
 - (c) The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's

financial statements, other than public disclosure referred to in Section V.A.4 of this Charter, and periodically assess the adequacy of those procedures.

7. *Reports and Regulatory Returns.* The Committee shall review and discuss with management, and the external auditors to the extent the Committee deems appropriate, such reports and regulatory returns of the Company as may be specified by law.
 8. *Other Financial Information.* The Committee shall review the financial information included in any prospectus, annual information form or information circular with management and, at the discretion of the Committee, the external auditors, both together and separately, prior to public dissemination, and shall make a recommendation to the Board with respect to the approval of such prospectus, annual information form or information circular with such changes contemplated and further recommended as the Committee considers necessary.
- B. Financial Reporting Processes
9. *Establishment and Assessment of Procedures.* The Committee shall satisfy itself that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the financial statements of the Company and assess the adequacy of these procedures annually.
 10. *Application of Accounting Principles.* The Committee shall assure itself that the external auditors are satisfied that the accounting estimates and judgements made by management, and their selection of accounting principles reflect an appropriate application of such accounting principles.
 11. *Practices and Policies.* The Committee shall review with management and the external auditors, together and separately, the principal accounting practices and policies of the Company.
- C. External Auditors
12. *Oversight and Responsibility.* In respect of the external auditors of the Company:
 - (a) The Committee, in its capacity as a committee of the Board, shall be directly responsible for, or if required by Canadian law shall make recommendations to the Board with respect to, the appointment, compensation, retention and oversight of the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting.
 - (b) The Committee is directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting.
 13. *Reporting.* The external auditors shall report directly to the Committee and are ultimately accountable to the Committee.
 14. *Annual Audit Plan.* The Committee shall review with the external auditors and management, together and separately, the overall scope of the annual audit plan and the resources the external auditors will devote to the audit. The Committee shall annually review and approve the fees to be paid to the external auditors with respect to the annual audit.
 15. *Non-Audit Services.*
 - (a) "Non-audit services" means all services performed by the external auditors other than audit services. The Committee shall pre-approve all non-audit services to be provided to the Company or its

subsidiaries by the Company's external auditor and permit all non-audit services, other than non-audit services where:

- (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;
 - (ii) the Company or its subsidiary, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (iii) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals had been delegated by the Committee.
- (b) The Committee may delegate to one or more members of the Committee the authority to grant such pre-approvals for non-audited services. The decisions of such member(s) regarding approval of "non-audit" services shall be reported by such member(s) to the full Committee at its first scheduled meeting following such pre-approval.
- (c) The Committee shall adopt specific policies and procedures for the engagement of the non-audit services if:
- (i) the pre-approval policies and procedures are detailed as to the particular services;
 - (ii) the Committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the Committee's responsibilities to management.
16. *Independence Review.* The Committee shall review and assess the qualifications, performance and independence of the external auditors, including the requirements relating to such independence of the law governing the Company. At least annually, the Committee shall receive from the external auditors, a formal written statement delineating all relationships between the Company the external auditors, actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor, and, if necessary, recommend that the Board takes appropriate action to satisfy themselves of the external auditors' independence and accountability to the Committee. In evaluating the performance of the external auditors, the Audit Committee shall evaluate the performance of the external auditors' lead partner and shall ensure the rotation of lead partners as required by law.
- D. *Internal Controls.* Management shall be required to provide the Committee, at least annually, a report on internal controls, including reasonable assurance that such controls are adequate to facilitate reliable and timely financial information. The Committee shall also review and follow-up on any areas of internal control weakness identified by the external auditors with the auditors and management.
- E. *Reports to Board*
17. *Reports.* In addition to such specific reports contemplated elsewhere in this Charter, the Committee shall report regularly to the Board regarding such matters, including:
- (a) with respect to any issues that arise with respect to the quality or integrity of the financial statements of the Company, compliance with legal or regulatory requirements by the Company, or the performance and independence of the external auditors of the Company;

- (b) following meetings of the Committee; and
 - (c) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.
18. *Recommendations.* In addition to such specific recommendations contemplated elsewhere in this Charter, the Committee shall provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
- F. Whistle Blowing
19. *Procedures.* The Committee shall establish procedures for:
- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
20. *Notice to Employees.*
- (a) To comply with the above, the Committee shall ensure each of the Company and its subsidiaries advises all employees, by way of a written code of business conduct and ethics (the "Code"), or if such Code has not yet been adopted by the respective board, by way of a written or electronic notice, that any employee who reasonably believes that questionable accounting, internal accounting controls, or auditing matters have been employed by the Company or their external auditors is strongly encouraged to report such concerns by way of communication directly to the Chair. Matters referred may be done so anonymously and in confidence.
 - (b) None of the Company or its subsidiaries shall take or allow any reprisal against any employee for, in good faith, reporting questionable accounting, internal accounting, or auditing matters. Any such reprisal shall itself be considered a very serious breach of this policy.
 - (c) All reported violations shall be investigated by the Committee following rules of procedure and process as shall be recommended by outside counsel.
- G. General
21. *Access to Advisers and Funding.* The Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, for payment of (a) compensation to any external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
22. *Hiring of Partners and Employees of External Auditors.* The Committee shall annually review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
23. *Forward Agenda.* The Committee may annually develop a calendar of activities or forward agenda to be undertaken by the Committee for each ensuing year and to submit the calendar/agenda in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
24. *Annual Performance Evaluation.* The Committee shall perform a review and evaluation, annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with

this Charter. In addition, the Committee shall evaluate, annually, the adequacy of this Charter and recommend any proposed changes to the Board.

25. *Related Party Transactions.* The Committee shall annually review transactions involving directors and officers, including a review of travel expenses and entertainment expenses, related party transactions and any conflicts of interests.

General. The Committee shall perform such other duties and exercise such powers as may, from time to time, be assigned or vested in the Committee by the Board, and such other functions as may be required of an audit committee by law, regulations or applicable stock exchange rules.

APPENDIX - B
EQUITY INCENTIVE PLAN

ATHA ENERGY CORP.
(the “**Company**”)

EQUITY INCENTIVE PLAN

SECTION 1 - ESTABLISHMENT AND PURPOSE OF THIS PLAN

1.01 Purpose

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

SECTION 2 - DEFINITIONS

2.01 Definitions

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

- (a) “**Award**” means any award of Options, RSUs, PSUs or DSUs granted under this Plan;
- (b) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (c) “**Blackout Period**” means a period of time during which the Company prohibits Participants from exercising, redeeming or settling an Award due to the existence of undisclosed material information and pursuant to a formal notice provided by the Company under a trading policy, which Blackout Period must expire promptly following general disclosure of the undisclosed material information;
- (d) “**Board**” means the board of directors of the Company or, if the context permits, any of its Subsidiaries, as applicable;
- (e) “**Change of Control**” means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities (as such terms are interpreted in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a person “acting jointly or in concert” with another person, as that phrase is interpreted in National Instrument 62-103, totals for the first time not less than fifty (50%) percent of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (f) “**Company**” means ATHA Energy Corp., a company existing under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (g) “**Consultant**” means a Person (other than a Director, Officer or Employee) that:
 - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary of the Company,

other than services provided in relation to a distribution (as defined in the *Securities Act* (British Columbia));

- (ii) provides the services under a written contract between the Company or any of its Subsidiaries and the Person, as the case may be; and
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or any of its Subsidiaries;

and includes:

- (iv) for a Person that is an individual, a corporation of which such individual is the sole shareholder;
- (h) **“Deferred Share Unit”** or **“DSU”** means a right granted to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, all as provided in Section 5.04 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (i) **“Determination Date”** means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (j) **“Director”** means a member of the Company’s Board or the Board of any of its Subsidiaries;
- (k) **“Discounted Market Price”** means the Market Price less the discount set forth below, subject to a minimum price of \$0.10:

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

- (l) **“Disability”** means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (m) **“Effective Date”** has the meaning ascribed thereto in Section 8.01;
- (n) **“Election Form”** means the form to be completed by a Director specifying the amount of the Fees he or she wishes to receive in DSUs under this Plan;
- (o) **“Eligible Person”**, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries but, when used in connection with PSUs, RSUs or DSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;

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

- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication; and
 - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange;
- (v) **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (w) **“Management Company Employee”** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the Company’s business enterprise;
- (x) **“Market Price”** means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the Grant Date);
- (y) **“Market Unit Price”** means the value of a Share determined by reference to the five-day volume-weighted average closing price of a Share for the five Trading Day period immediately preceding the relevant date;
- (z) **“Officer”** means an officer (as defined in the Securities Act or, where the Securities Act does not apply, by other applicable securities laws) of the Company or any of its Subsidiaries;
- (aa) **“Option”** means incentive share purchase options entitling the holder thereof to purchase Shares at a specified price for a specified period of time as provided in Section 5.01 hereof;
- (bb) **“Participant”** means any Eligible Person to whom Awards under this Plan are granted;
- (cc) **“Participant’s Account”** means a notional account maintained for each Participant’s participation in this Plan which will show any Options, RSUs, PSUs and/or DSUs credited to a Participant from time to time;
- (dd) **“Performance-Based Award”** means, collectively or as applicable, Performance Share Units, Restricted Share Units and Deferred Share Units;
- (ee) **“Performance Criteria”** means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of Performance Share Units; provided, however, that such vesting period shall be no less than 12 months following the date of grant;

- (ff) **“Performance Cycle”** means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (gg) **“Performance Share Unit”** or **“PSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.03 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (hh) **“Person”** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (ii) **“Restriction Period”** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months;
- (jj) **“Restricted Share Unit”** or **“RSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.02 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (kk) **“Retirement”** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (ll) **“Securities Act”** means the *Securities Act* (British Columbia), as amended, from time to time;
- (mm) **“Security-Based Compensation Arrangement”** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option plan, including the Plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time Employee, Officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (nn) **“Shares”** means the common shares of the Company;
- (oo) **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (pp) **“Termination Date”** means, as applicable:
 - (i) in the event of a Participant’s Retirement, voluntary termination, voluntary resignation or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and

- (ii) in the event of termination of the Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (qq) **"Trading Day"** means any day on which the Exchange is open for trading;
- (rr) **"Vesting Date"** means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement; and
- (ss) **"VWAP"** means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Option.

SECTION 3 - ADMINISTRATION

3.01 Board to Administer Plan

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

3.02 Delegation to Committee

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

3.03 Interpretation

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

3.04 No Liability

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

SECTION 4 - SHARES AVAILABLE FOR AWARDS

4.01 Limitations on Shares Available for Issuance

- (a) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) in respect of Awards shall not exceed 10% of issued and outstanding Shares at the time of any grant hereunder.
- (b) So long as it may be required by the rules and policies of the Exchange:
 - (i) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any Participant under this Plan, within any 12 month period, together with Shares reserved for issuance to such Participant (and to Companies wholly-owned by that Participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
 - (ii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, within any 12 month period, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
 - (iii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, at any point in time, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares; and
 - (iv) the maximum aggregate number of Shares issuable to any one Consultant, within any 12 month period, together with Shares issuable to such Consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant); and
 - (v) the maximum aggregate number of Shares issuable pursuant to grants of Options to all Investor Relation Service Providers performing Investor Relations Activities, within any 12 month period, shall not in aggregate exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant). For the avoidance of doubt, Persons performing Investor Relations Activities are only eligible to receive Options under this Plan; they are not eligible to receive any Performance- Based Award or other type of securities based compensation under this Plan.

4.02 Accounting for Awards

For purposes of this Section 4:

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

4.03 Anti-Dilution

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

SECTION 5 - AWARDS

5.01 Options

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to an Eligible Person shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Option shall, contingent upon the lapse of any restrictions, represent the right to acquire one (1) Share. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- (b) Exercise Price - The exercise price of an Option granted under this Plan shall not be less than the Discounted Market Price, provided that if an Option is proposed to be granted by the Company which has just been recalled for trading following a suspension or halt, the Company must wait at least ten Trading Days since the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option.
- (c) Expiry Date – Subject to Section 5.05(e), each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the Grant Date.
- (d) Different Exercise Periods, Prices and Number - The Board may, in its absolute discretion, upon granting Options under this Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise his option during each respective time period.
- (e) Vesting - The Options granted to a Participant under this Plan shall vest as determined by the Board. If the Board does not specify a vesting schedule at the Grant Date, then Options granted

to persons other than those conducting Investor Relations Activities shall vest fully on the Grant Date, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:

- (i) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
 - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
 - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
 - (iv) the remainder of the Options vest no sooner than 12 months after the Grant Date.
- (f) Change of Control – If the Award Agreement so provides, in the event of a Change of Control, all Options granted to a Participant who ceases to be an Eligible Person shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.01(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.
- (g) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.1(l) hereof.
- (h) Termination of Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Options granted to the Participant under this Plan (including those which have vested) will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms

of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.01(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to qualify as an Eligible Person, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board provided such period does not exceed 12 months after the Termination Date.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, including as set forth above in Section 5.01(h)(i) or 5.01(h)(ii), the Participant's eligibility to receive further grants of Awards of Options under this Plan shall cease as of the Termination Date.
- (i) Disability - Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options; *provided, however*, that no Options may be exercised during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Options granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date; *provided, however*, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will accrue to the Participant in accordance with Section 5.01(l) hereof and shall be exercisable by such Participant for a period of 90 days following the Termination Date, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board provided such period does not exceed 12 months after the Termination Date.
- (j) Hold Period - In addition to any resale restrictions under applicable legislation or regulation, all Options granted hereunder and all Shares issued on the exercise of such Options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the Award Agreements and the certificates representing such Shares will bear the following legend:

"Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date]."
- (k) Notice - Options shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- (l) Payment of Award - Subject to any vesting or other limitations described in each individual Award Agreement, Options may be exercised in whole or in part at any time prior to their lapse or termination, by the Participant, or if Section 5.01(g) applies, by the Participant's estate within one year of the death of the Participant, into such number of Shares equal to the

number of Options credited to the Participant's Account that become exercisable on the Vesting Date. The exercise price of all Options must be paid in cash, subject to Section 5.01(m) below. Shares purchased by a Participant on exercise of an Option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).

- (m) Cashless or Net Exercise – A Participant may elect, in its sole discretion, to undertake: (i) a broker assisted "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the exercise price and all applicable required withholding obligations against delivery of the Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Company withholding the minimum number of Shares otherwise deliverable in respect of an Option that are needed to pay for the exercise price and all applicable required withholding obligations, such that the number of Shares received by the Participant is equal to the quotient obtained by dividing: (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by (B) the VWAP of the underlying Shares. In all events of cashless or net exercise pursuant to this Section, the Participant shall comply (i) with all provisions of this Plan with regards to any applicable required withholding obligations; and (ii) with all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise. For the avoidance of doubt, a "net exercise" may not be undertaken by Participants engaged in Investor Relations Activities.

5.02 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons that do not perform Investor Relations Activities. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (c) Vesting - All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No Restricted Share Units may vest before the date that is one year following the date of the Award.

- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5.02(h) hereof.
- (e) Death - Upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate within one year of the Participant's death.
- (f) Termination of a Participant's Relationship with the Company
- (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan (including those which have vested) will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.02(h) hereof.
- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person including as set forth above in Section 5.02(f)(i) or 5.02(f)(ii), the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units; *provided, however,* that no Restricted Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that any Restricted Share Units granted to such

Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.02(h) hereof.

- (h) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall, at the sole discretion of the Board, either:
- (i) issue to the Participant from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the Vesting Date; or
 - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Vesting Date of the Restricted Share Units credited to a Participant's Account that have vested and become payable, net of applicable withholdings.

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

5.03 Performance Share Units

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

Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No Performance Share Units may vest before the date that is one year following the date of the Award.

- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control pursuant to which a Participant ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5.03(h) hereof.
- (e) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable within one year of the Participant's death.
- (f) Termination of a Participant's Relationship with the Company
 - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan (including those which have vested) will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which have not vested will, unless the Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, the Board may determine, in its sole discretion but subject to any requirements of the Exchange, for Performance Share Units that are subject to vesting criteria beyond the minimum one year vesting requirement in Section 5.03(a), the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.03(h) hereof.
 - (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, including as set forth above in Section 5.03(f)(i) or 5.03(f)(ii), the Participant's eligibility to receive

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

- (g) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that the Board may determine, in its sole discretion, for Performance Share Units that are subject to vesting criteria beyond the minimum one year vesting requirement in Section 5.03(a), the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.03(h) hereof.

- (h) Payment of Award - Payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. The Company shall, at the sole discretion of the Board, either:
 - (i) issue to the Participant the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date; or
 - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Determination Date of the Performance Share Units credited to a Participant's Account that have vested, net of applicable withholdings.

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

5.04 Deferred Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors that do not perform Investor Relations Activities in lieu of Fees or to other Eligible Persons that do not perform Investor Relations Activities as compensation for employment or consulting services. Deferred Share Units granted to a Participant in accordance with Section 5.04 hereof shall be credited, as of the Grant Date, to the Participant's Account. The number of Deferred Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The number of Deferred Share Units shall be specified in the applicable Award Agreement.

- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Directors regarding the amount of their Fees that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Director during a calendar year and wishes to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (c) Calculation of Deferred Share Units Granted in Lieu of Fees - The number of Deferred Share Units to be credited to a Participant's Account where the Participant is a Director who has elected to receive Deferred Share Units in lieu of Fees shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant that is a Director shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (d) Vesting - No Deferred Share Units may vest before the date that is one year following the date of the Award.
- (e) Payment of Award - Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:
- (i) that number of Shares equal to the number of vested Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company (provided that such issuance will not result in the number specified in Section 4.1(a) being exceeded); or
 - (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the vested Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (f) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

- (g) Death - Upon death of a Participant holding Deferred Share Units that have vested, the Participant's estate shall be entitled to receive, within one year of the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.04(e) hereof to the Participant upon such Participant ceasing to be an Eligible Person.

5.05 General Terms Applicable to Awards

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

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

5.06 General Terms Applicable to Performance-Based Awards

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

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

SECTION 6 - AMENDMENT AND TERMINATION

6.01 Amendments and Termination of this Plan

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

- (a) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and
- (c) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to (except that the Exchange may require approval of the shareholders of the Company for amendments pursuant to Sections 6.01(c)(iii) to 6.01(c)(vii)):
 - (i) amendments of a "housekeeping nature";

- (ii) amendments for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
- (iv) amendments respecting administration and eligibility for participation under this Plan;
- (v) amendments to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Awards;
- (vi) with the exception of Options granted to Persons performing Investor Relations Activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
- (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

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

6.02 Amendments to Awards

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

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

SECTION 7 - GENERAL PROVISIONS

7.01 No Rights to Awards

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

and confirming that each recipient of an Award is a bona fide Eligible Person that qualifies to receive the applicable Award.

7.02 No Limit on Other Security-Based Compensation Arrangements

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

7.03 No Right to Employment

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

7.04 No Right as Shareholder

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

7.05 Governing Law

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

7.06 Severability

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

7.07 No Trust or Fund Created

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

7.08 No Fractional Shares

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

7.09 Headings

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

7.10 No Representation or Warranty

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

7.11 No Representations or Covenant with Respect to Tax Qualification

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

7.12 Conflict with Award Agreement

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

7.13 Compliance with Laws

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

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

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8 - EFFECTIVE DATE OF THIS PLAN

8.01 8.1 Effective Date

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

