

NORTHERN GRAPHITE CORPORATION
P.O. Box 279, Manotick, ON K4M 1A3

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting of the shareholders (the “**Meeting**”) of Northern Graphite Corporation (the “**Corporation**”) will be held at the offices of DLA Piper (Canada) LLP, Suite 6000, 1 First Canadian Place, 100 King Street West, Toronto, Ontario, M5X 1E2 on Monday, November 21, 2022 at 11:00 a.m. (EDT) for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2021, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at five (5);
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint MNP LLP, Chartered Professional Accountants, as auditors of the Corporation and to authorize the directors of the Corporation to fix the auditors’ remuneration;
5. to consider and, if deemed advisable, to approve, with or without variation, a special resolution to authorize the Board of Directors to set the number of directors from time to time within the minimum and maximum number of directors set forth in the articles of the Corporation, in accordance with Section 125(3) of the *Business Corporations Act* (Ontario), as more particularly described in the accompanying management information circular (the “**Circular**”);
6. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Corporation’s amended and restated stock option plan, as more particularly described in the Circular;
7. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Corporation’s deferred share unit and restricted share unit compensation plan, as more particularly described in the Circular;
8. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution of shareholders on a disinterested basis approving certain loans by the Corporation to certain of its executive officers for the purpose of purchasing securities of the Corporation, as more particularly described in the Circular; and
9. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Corporation’s shareholders, employees, communities and other stakeholders, meeting participants are strongly encouraged not to attend in person. Rather, participants are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. **To access the Meeting by teleconference, dial toll free at 1-800-747-5150, Access Code: 2419959#. Participants can listen to the Meeting but will not be permitted to vote at the Meeting unless the participant attends the Meeting in person.**

The Corporation reserves the right to take any further precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments with respect to COVID-19, including: (i) changing the Meeting date and/or changing the means of holding the Meeting; and (ii) such other measures as may be recommended by public health authorities. 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. In the event of any changes to the Meeting format due to COVID-19, the Corporation will not prepare or mail an amended Circular, Notice of Meeting or related proxy.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is at the close of business on October 4, 2022 (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (“**Notice-and-Access**”) to distribute Meeting materials to shareholders. Notice-and-Access is a set of rules that allow issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies to shareholders. The use of Notice-and-Access will reduce the Corporation’s printing and mailing costs and is more environmentally friendly as it will help to reduce paper use. Shareholders have the right to request hard copies of any materials posted online by the Corporation under Notice-and-Access.

Meeting materials, including the Circular, are available under the Corporation’s SEDAR profile at www.sedar.com and on the Corporation’s website at www.northerngraphite.com/investors/agm-materials/. The Corporation will provide to any shareholder, free of charge, upon request to the Corporation’s transfer agent, TSX Trust Company, telephone no.: 1-866-600-5869 or e-mail: TMXEInvestorServices@tmx.com, a paper copy of the Circular and any financial statements or management discussion and analysis of the Corporation filed with the applicable securities regulatory authorities during the past year. In order to allow reasonable time for you to receive and review a paper copy of the Circular or other document prior to the proxy deadline, you should make your request for a paper copy to the Corporation’s transfer agent by 4:00 p.m. (EDT) on November 7, 2022.

A shareholder may attend the Meeting or any adjournment thereof in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the form of proxy for the Meeting must be deposited with the Corporation’s registrar and transfer agent, TSX Trust Company, Proxy Department, at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, Facsimile No. (416) 595-9593, no later than 11:00 a.m. (EDT) on November 17, 2022 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before any adjournment or postponement of the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder’s attorney authorized in writing or, if the shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the form of proxy for the Meeting are directors and/or officers of the Corporation. Each shareholder of the Corporation has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder’s behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder’s appointee should be legibly printed in the blank space provided.

DATED at Ottawa, Ontario as of the 4th day of October, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

“Gregory B. Bowes”

Gregory B. Bowes
Executive Chair

NORTHERN GRAPHITE CORPORATION
P.O. Box 279, Manotick, ON K4M 1A3

MANAGEMENT INFORMATION CIRCULAR
Dated October 4, 2022

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (the “**Circular**”) is furnished in connection with the solicitation by the management of Northern Graphite Corporation (the “**Corporation**”) of proxies to be used at the annual and special meeting of shareholders (the “**Meeting**”) of the Corporation to be held at the time and place and for the purposes set forth in the enclosed notice of annual and special meeting of shareholders (the “**Notice of Meeting**”). While it is expected that the solicitation will be primarily by mail, proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation. The information contained herein is given as of October 4, 2022, unless indicated otherwise.

The Corporation may pay the reasonable costs incurred by persons and companies who are the registered owners of common shares of the Corporation (the “**Common Shares**”) (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of the Notice Package (as defined below), as well as requested copies of the Meeting Materials (as defined below), to the beneficial owners of such Common Shares. The Corporation will provide, without cost to such persons and companies, upon request to the Corporate Secretary of the Corporation, additional copies of the Notice Package and Meeting Materials required for this purpose.

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Corporation’s shareholders, employees, communities and other stakeholders, meeting participants are encouraged not to attend in person. Rather, participants are strongly encouraged to vote on the matters before the Meeting by proxy and to join the Meeting to listen by teleconference. To access the meeting and listen to the teleconference, dial toll free at 1-800-747-5150, Access Code: 2419959#. Shareholders participating in the Meeting by teleconference will be unable to vote via teleconference.

A quorum for the transaction of business at the Meeting shall be present if there are two or more persons present in person, each being a shareholder entitled to vote or a duly appointed proxyholder, and together holding or representing by proxy not less than 10% of the outstanding Common Shares entitled to vote at the Meeting.

NOTICE-AND-ACCESS

The Corporation has elected to use the “notice-and-access” provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations* (“**Notice-and-Access**”), for distribution of this Circular and other meeting materials to registered shareholders of the Corporation and Beneficial Holders (as defined below). Notice-and-Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to shareholders. The use of Notice-and-Access will reduce the Corporation’s printing and mailing costs and is more environmentally friendly as it will help to reduce paper use.

In accordance with Notice-and-Access, the Corporation has posted the Circular and its audited financial statements and management discussion and analysis for the year ended December 31, 2021 (collectively, the “**Meeting Materials**”) under its SEDAR profile at www.sedar.com and on its website at www.northerngraphite.com/investors/agm-materials/.

Although the Meeting Materials will be posted electronically online, registered shareholders and Beneficial Holders (subject to the provisions set out below under the heading “Non-Registered Holders”) will receive a “notice package” (the “**Notice Package**”) by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form (“**Proxy**”), in the case of registered shareholders, or voting instruction form (“**VIF**”), in the case of Beneficial Holders,

enabling them to vote at the Meeting. Shareholders should follow the instructions for completion and delivery contained in the Proxy or VIF, and are reminded to review the Circular before voting.

The Corporation has determined to use Notice-and-Access for both registered shareholders and Beneficial Holders other than those shareholders with existing instructions on their accounts to receive printed materials or those shareholders that request printed meeting materials. Neither registered shareholders nor Beneficial Holders will receive a paper copy of the Meeting Materials unless they contact the Corporation's transfer agent, TSX Trust Company ("TSX Trust") at telephone no.: 1-866-600-5869 or e-mail: TMXEInvestorServices@tmx.com. Provided the request is made prior to the Meeting, TSX Trust will mail the requested materials within three business days. **Requests for paper copies of the Meeting Materials should be made by 4:00 p.m. (EDT) on November 7, 2022 in order to receive the Meeting Materials in time to vote before the Meeting.**

Shareholders with questions about Notice-and-Access may contact TSX Trust at telephone no.: 1-866-600-5869 or e-mail: TMXEInvestorServices@tmx.com.

NON-REGISTERED HOLDERS

Only registered holders of Common Shares as at October 4, 2022 (the "Shareholders") or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "Beneficial Holder") are registered either: (i) in the name of an intermediary (an "Intermediary" or the "Intermediaries") with whom the Beneficial Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Corporation will have distributed copies of the Notice Package to Intermediaries and clearing agencies for onward distribution to Beneficial Holders.

Intermediaries are required to forward the Notice Package to Beneficial Holders. Beneficial Holders will be given, in substitution for the form of Proxy otherwise contained in the Notice Package, the form of VIF which, when properly completed and signed by the Beneficial Holder and returned to the Intermediary, will constitute voting instructions that the Intermediary must follow.

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

Beneficial 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. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting.

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

In any event, Beneficial Holders should carefully follow the instructions of their Intermediary set out in the VIF, including those regarding when and where the form of Proxy or VIF is to be delivered.

Under NI 54-101, the Corporation is permitted to forward meeting materials directly to Beneficial Holders who are “non-objecting beneficial owners” (“**NOBOs**”). If the Corporation or its agent has sent these materials directly to you (instead of through a nominee), your name, address and information about your holding of securities has been obtained in accordance with applicable securities regulatory requirements from the nominee holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the nominee holding on your behalf) has assumed responsibility for delivering materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The meeting materials for Beneficial Holders who are “objecting beneficial owners” (“**OBOs**”) will be distributed through clearing houses and Intermediaries, who often use a service company such as Broadridge Financial Solutions to forward meeting materials to non-registered shareholders. The Corporation does not intend to pay for Intermediaries to forward the proxy-related materials and the request for voting instructions made by Intermediaries to OBOs, under NI 54-101. Accordingly, an OBO will not receive the materials unless the OBO’s Intermediary assumes the cost of delivery.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy are directors and/or officers of the Corporation. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him, her or it at the meeting may do so** either by inserting such person’s name in the blank space provided in the form of proxy and crossing out the names of the nominees of management, or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the Corporation’s registrar and transfer agent, TSX Trust Company, Proxy Department, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, Facsimile No. (416) 595-9593, no later than 11:00 a.m. (EDT) on November 17, 2022 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before any adjournment or postponement of the Meeting, or delivering the completed proxy to the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof prior to the time of voting.

A shareholder may also submit a proxy by using the Internet through the website of TSX Trust at www.voteproxyonline.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the proxy form for the Meeting for the Holder ID and Holder Code and the proxy access number.

A Shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. by delivering another properly executed form of proxy bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the proxy executed by him, her or it: (a) with TSX Trust at the address and/or facsimile above, at any time up to and prior to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the commencement of the Meeting or any adjournment thereof, as applicable; or
3. in any other manner permitted by law.

Only a Shareholder has the right to revoke a proxy. A Beneficial Holder who wishes to change his, her or its vote must arrange for the Intermediary to revoke the proxy on his, her or its behalf in accordance with the instructions of such Intermediary set out in the voting instructions form.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a shareholder should be delivered by facsimile to TSX Trust at (416) 595-9593.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees or any appointed nominees will be voted for, withheld from voting or voted against in accordance with the instructions of the Shareholder on any ballot that may be called for and, if a Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted accordingly. **Where no choice is specified, the proxy will confer discretionary authority and will be voted FOR the election of the nominee directors, the appointment of auditors and the authorization of the directors to fix the auditors' remuneration, and for each item of business, as stated elsewhere in this Circular.**

The form of proxy for the Meeting also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters that may properly come before the meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors and the approvals of the Stock Option Plan, the DSU/RSU Plan and the Executive Loans (as defined below) as disclosed in this Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at the date of this Circular, the Corporation had 120,360,522 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

The record date for the purpose of determining the Shareholders entitled to receive the Notice of Meeting and to vote at the Meeting has been fixed as October 4, 2022. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of Shareholders as at the close of business on the Record Date. Each holder of Common Shares named in the list will be entitled to vote, on all resolutions put forth at the Meeting for which such Shareholder is entitled to vote, the shares shown opposite his, her or its name on such list. The failure of a Shareholder to receive the Notice of Meeting does not deprive him, her or it of the right to vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The audited financial statements of the Corporation for the fiscal year ended December 31, 2021 together with the auditors' report thereon will be presented to the Shareholders at the Meeting.

Fix Number of Directors

The articles of the Corporation provide for a minimum of one and a maximum of ten directors. At the Meeting, the shareholders will be asked to consider and, if deemed advisable, to approve a special resolution to fix at five (5) the number of directors to be elected at the Meeting, to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the by-laws of the Corporation, unless

their offices are earlier vacated in accordance with the provisions of the Business Corporations Act (Ontario) or the Corporation's by-laws. To be effective, the special resolution must be approved by not less than two-thirds (2/3) of the votes cast by the Shareholders present in person, or represented by proxy, and entitled to vote at the Meeting.

The Board believes the passing of the resolution fixing the number of directors at five (5) is in the best interests of the Corporation and recommends that the Shareholders vote FOR the resolution. **Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies FOR the special resolution fixing the number of directors at five (5).**

Election of Directors

It is proposed that each of the five (5) nominees whose names appears below (the "Nominees") be individually elected as a director at the Meeting. Management does not contemplate that any of the Nominees will be unable to serve as a director of the Corporation. **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the election of the Nominees as directors of the Corporation.**

The following table provides the names of the Nominees, their municipalities of residence, all positions and offices in the Corporation held by each of them, their principal occupations, the date on which each was first elected a director of the Corporation and the approximate number of Common Shares that are beneficially owned, or controlled or directed, directly or indirectly, by each Nominee. Information regarding the principal occupation, business or employment of each Nominee within the preceding five years is set out following such table. Each elected director will hold office from the date on which he is elected until the close of the next annual meeting of Shareholders of the Corporation or until his successor is duly elected or appointed unless his office is earlier vacated in accordance with the Corporation's by-laws.

| Name, Municipality of Residence and Position with the Corporation | Principal Occupation | Director Since | Common Shares Beneficially Owned Directly or Indirectly or Controlled |
|---|---|-----------------|---|
| Gregory B. Bowes Carleton Place, Ontario Executive Chair and Director | Executive Chair and a director of the Corporation | July 9, 2008 | 2,764,594 ⁽⁴⁾ |
| Hugues Jacquemin Serravalle, Italy Chief Executive Officer | Chief Executive Officer of the Corporation | N/A | Nil |
| W. Campbell Birge ⁽¹⁾⁽³⁾ Victoria, British Columbia Director | Consultant to public and private companies | June 25, 2018 | 800,000 |
| Donald H. Christie, CPA ⁽¹⁾⁽²⁾ Toronto, Ontario Director | Chief Financial Officer and a director of Nevada Zinc Corporation | August 17, 2010 | 310,333 |
| Frank O'Brien-Bernini Granville, Ohio Director | Recently retired executive with Owens Corning. | N/A | Nil |

Notes:

- (1) Member of Audit Committee.
- (2) Member of Compensation and Nomination Committee.
- (3) Member of Corporate Governance Committee.
- (4) 1,923,166 Common Shares are held by Gregory Bowes, 571,428 Common Shares are held by Bowes & Company, Management Ltd., which is owned and controlled by Gregory Bowes and his family, and 270,000 Common Shares are owned by his spouse.

As a group, the directors and senior officers beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 3,874,927 Common Shares, representing 3.2% of the total issued and outstanding Common Shares.

The following is biographical information relating to the Nominees, including their principal occupations for the past five years:

Gregory B. Bowes, B.Sc. (Geology), MBA, P.Geo. – Executive Chair and Director. Mr. Bowes has over 40 years of experience in the resource and engineering industries. He holds an MBA from Queen’s University and an Honours B.Sc., Geology degree from the University of Waterloo. Mr. Bowes was Senior Vice President of Orezone Gold Corporation (ORE:TSX-V) from February 2009 to June 2010, and was Vice President, Corporate Development of its predecessor, Orezone Resources Inc., from January 2004 until September 2005 and was Chief Financial Officer from October 2005 to March 2007, and from April 2008 to February 2009. From December 2006 until April 2008, Mr. Bowes served as President, CEO and a director of San Anton Resource Corporation, which was then listed on the TSX.

Hugues Jacquemin, B.Sc. – Chief Executive Officer. Mr. Jacquemin has over 30 years of senior management experience in a number of diverse industries including graphite mining and processing, lithium ion and other battery materials, fuel cells and hydrogen production, graphene and carbon nanotubes, graphite and carbon materials including carbon black and carbon and glass fibre composites. Mr. Jacquemin was Chief Executive Officer of the Graphite and Carbon Division of Imerys SA from May 2014 to September 2018. Since December 2020, he has acted as an independent expert for an arm’s length investment advisory firm based in the United Kingdom which advised the Corporation on its acquisition of the Lac-des-Iles, Québec and Okanjande, Namibia graphite projects from Imerys SA. He has also acted as Commercial Director since September 2020 for Genevos, a clean energy systems integration company specializing in hydrogen fuel cells applicable to the maritime sector. From December 2018 to April 2020, Mr. Jacquemin served as Chief Executive Officer for the Americas of OCSIAL, a carbon nanotube company.

W. Campbell Birge, B.A., B.Ed., M.Sc. – Director. Mr. Birge has over 20 years of experience advising public and private companies specializing in the resource, real estate and cannabis industries in Canada, the United States and Mexico. He also has over 20 years of experience in public and private education, including five years as Adjunct Professor of Business and twice elected Head of the Graduate Business Department at United States International University - Mexico City campus. Mr. Birge advises and manages private investment portfolios. He was the founder of Industrial Minerals Inc., the original owner of the Bissett Creek graphite project, and was responsible for the management change that led to the formation of Northern Graphite Corporation. He is a Director of Mojave Brands Inc. He previously served as CFO of Australis Capital Inc.; CEO, President and Director of Industrial Minerals Inc.; CEO, President and Director of Ammex Gold; CEO and Director of CTT Pharmaceuticals Inc.; CFO and Director of Wind Works Power Corp.; Vice President - Operations of the Trust for Sustainable Development; Business and Operations Analyst - Southern Ontario for Bell Canada Mobile; and, a founder of and a partner in several private businesses.

Donald H. Christie, CPA - Director. Mr. Christie is the Chief Financial Officer and a director of Nevada Zinc Corporation (NZN:TSX-V). Mr. Christie is a Chartered Professional Accountant - Chartered Accountant. Mr. Christie formerly held the roles of Chief Operating Officer of Digihost Technology Inc., President and CEO of Norvista Capital Corporation, Interim President and CEO of Rockcliff Metals Corporation, Chief Financial Officer of Solvista Gold Corporation and Chief Financial Officer of Continental Gold Limited. Prior to his involvement with Continental Gold, Mr. Christie co-founded Ollerhead Christie & Company Ltd., an institutional debt advisory firm which sourced, structured and syndicated debt private placements and provided financial advisory services to a client base comprised primarily of colleges, universities, schools boards and provincial government agencies. Prior to founding Ollerhead Christie & Company Ltd., Mr. Christie served as a Managing Director of Newcourt Credit Group. Mr. Christie holds an Honours B.Comm. degree from Queen’s University.

Frank O’Brien-Bernini - Proposed Director. Mr. O’Brien-Bernini is a recently retired, long time employee and executive of Owens Corning, having served in various capacities from 1983 until 2022. From 2007 until 2022, Mr. O’Brien-Bernini served as Owens Corning’s Senior Vice President and Chief Sustainability Officer, in which capacity he was responsible for its global Corporate Sustainability strategy development and execution, Environmental, Health and Safety, Medical/Wellness, Product Stewardship, and the R&D headquarters in Granville, Ohio. From 2001 to 2007, he served as Owens Corning’s Vice President and Chief Research & Development Officer, in which capacity he was responsible for its global Research & Development organization, anchored at the Granville, Ohio Science & Technology Center with satellite R&D facilities around the world. This role included new product and process development, new application development, manufacturing productivity, and customer technical support for all

business units as well as accountability for the Corporate Science & Technology laboratories. Mr. O'Brien-Bernini holds Bachelor of Science and Masters in Mechanical Engineering degrees from the University of Massachusetts, Amherst.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as described below, no Nominee is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the Nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days 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.

No Nominee: (a) is, as at the date hereof, or has been within 10 years before the date hereof, 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; or (b) has, within the 10 years before the date of hereof, 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 Nominee.

No Nominee has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a Nominee.

IF ANY OF THE NOMINEES ARE FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Appointment and Remuneration of Auditors

The Shareholders will be asked at the Meeting to approve a resolution appointing MNP LLP, Chartered Professional Accountants, as auditors of the Corporation and to authorize the directors to fix the auditors' remuneration. MNP LLP, Chartered Professional Accountants are the present auditors of the Corporation and were first appointed as auditors on March 1, 2010.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR the appointment of MNP LLP, Chartered Professional Accountants as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix the auditors' remuneration. A majority of the votes cast by Shareholders at the Meeting is required to approve the appointment of the auditors and to authorize the directors to fix their remuneration.

Authorizing Directors to Fix the Number of Directors

Pursuant to section 125(3) of the *Business Corporations Act* (Ontario) (the "OBCA"), if the Articles of Incorporation of the Corporation (the "Articles") provide for a minimum and maximum number of directors, the directors may, if a special resolution of Shareholders so provides, fix the number of directors to be elected at an annual meeting.

In addition, section 124(2) of the OBCA also provides that where a special resolution empowers directors to fix the number of directors in accordance with section 125(3) of the OBCA, the directors may appoint one or more

directors between annual meetings, to hold office for a term expiring not later than the close of the next annual meeting of Shareholders, but the total numbers so appointed may not exceed one-third of the number of directors elected at the previous annual meeting.

From time to time, the Board of Directors identifies an individual who could make a valuable contribution to the Corporation as a director. The Board wishes to have the ability to invite such an individual to join the Board between Shareholders' meetings, without the need to create a vacancy, as this may restrict the Corporation's ability to enhance the Board at the earliest opportunity.

By adopting the proposed special resolution, it will be possible to more quickly take advantage of opportunities to augment the Board of Directors. At the same time, given the limitation on the number of directors who can be added between meetings and the expiry of the term of such directors at the next annual meeting, the Shareholders maintain their control over the composition of the Board of Directors.

For these reasons, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, a special resolution to empower the directors to fix the number of directors to be elected within the minimum and maximum number of directors provided for in the Articles.

The text of this special resolution which management intends to place before the Meeting for the approval of the empowerment of the directors to fix the number of directors to be elected within the minimum and maximum number of directors provided for in the Articles is set forth below:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. in accordance with section 125(3) of the *Business Corporations Act* (Ontario), the directors shall be empowered and authorized to determine the number of directors of the Corporation to be elected at annual meetings of the Corporation within the minimum and maximum numbers provided for in the Articles of the Corporation; and
2. any one director or officer of the Corporation be, and he is hereby authorized and instructed to take all such acts and proceedings and to execute and deliver all such applications, authorizations, certificates, documents and instruments, as in their opinion may be reasonably necessary or desirable for the implementation of this resolution.”

The foregoing special resolution must be approved by two-thirds (2/3) of the votes cast at the Meeting by the Shareholder voting in person or by proxy. The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote FOR of the resolution. **Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies FOR the special resolution approving the empowerment of the directors to fix the number of directors to be elected within the minimum and maximum number of directors provided for in the Articles.**

Approval of Stock Option Plan

At the Meeting, Shareholders will be asked to approve, by way of ordinary resolution, the Corporation's stock option plan, as amended and restated effective October 4, 2022 (the “**Stock Option Plan**”). The Stock Option Plan is a “rolling” option plan. Pursuant to the requirements of the TSX Venture Exchange (the “**TSX-V**”) for “rolling” option plans, the Corporation must obtain shareholder approval for the Stock Option Plan on an annual basis, as described in TSX-V Policy 4.4 - *Security Based Compensation* (“**TSX-V Policy 4.4**”).

The Stock Option Plan was originally adopted by the Board of Directors on April 18, 2011 in connection with the Corporation's initial public offering and listing on the TSX-V and initially approved by Shareholders at the Corporation's annual and special meeting of Shareholders held on August 17, 2011. The Stock Option Plan was amended and restated effective July 24, 2013 and was last approved by Shareholders at the Corporation's annual meeting of Shareholders held on December 15, 2021.

The Stock Option Plan was again amended and restated effective October 4, 2022 in order to implement certain changes required as a result of the implementation by the TSX-V of certain amendments to Policy 4.4 in November 2021 which set out a new framework for security based compensation for issuers listed on the TSX-V. As a result of the amendments, the Corporation has amended and restated the Stock Option Plan to make certain amendments to make it compliant with TSX-V Policy 4.4. The Stock Option Plan as amended and restated has been conditionally accepted by the TSX-V. The approval of the Stock Option Plan as amended and restated is subject to approval of the Shareholders and the final acceptance of the TSX-V.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving the amended and restated Stock Option Plan (the “**Stock Option Plan Resolution**”). A copy of a comparison between the amended and restated Stock Option Plan and the previous version of the Stock Option Plan is attached as Schedule “C” to this Circular. A summary of the amended and restated Stock Option Plan is also set out in “*Statement of Executive Compensation – Option Based Awards – Summary of the Stock Option Plan*”. The full text of the Stock Option Plan Resolution is as follows:

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

1. the Stock Option Plan of the Corporation, as amended and restated effective October 4, 2022, is hereby ratified, confirmed and approved; and
2. any one director or officer of the Corporation, is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such documents and instruments and to do all other things as in the opinion of such directors or officers may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.”

The Board of Directors has concluded that the Stock Option Plan is in the best interests of the Corporation. Accordingly, the Board of Directors recommends that Shareholders vote in favour of the Stock Option Plan Resolution.

Unless otherwise directed, the persons named in the form of proxy for the Meeting intend to vote FOR the Stock Option Plan Resolution. A majority of the votes cast by Shareholders at the Meeting is required to approve the Stock Option Plan Resolution.

Approval of DSU/RSU Plan

At the Meeting, Shareholders will be asked to approve, by way of ordinary resolution, the Corporation’s deferred share unit and restricted share unit compensation plan (the “**DSU/RSU Plan**”). The DSU/RSU Plan was adopted by the Board of Directors on October 4, 2022 and has been conditionally accepted by the TSX-V. The approval of the DSU/RSU Plan by the Board of Directors is subject to approval of the Shareholders and the final acceptance of the TSX-V.

Currently, the sole security-based compensation plan of the Corporation is its existing Stock Option Plan, pursuant to which the Board of Directors may grant stock options to directors, officers, employees and consultants of the Corporation and its subsidiaries. The Board of Directors has determined that it is in the best interests of the Corporation to adopt a security-based compensation plan which would provide the Corporation with the ability and flexibility to make broader and different forms of equity awards as part of its need to retain a competitive compensation structure for its directors, officers, employees and consultants. The market for experienced professionals in mining, processing, finance and administration, the graphite industry and the downstream processing of graphite mine concentrates is highly competitive. The Corporation needs to attract and retain such individuals to execute its business plan and having the RSU/DSU Plan in place is a critical part of this process.

The purpose of the DSU/RSU Plan is to permit the Corporation to grant Awards to eligible directors, officers, employees and consultants, subject to certain conditions as set out in the DSU/RSU Plan, for the following purposes: (i) to increase the interest in the Corporation’s welfare of those eligible participants, who share responsibility for the management, growth and protection of the business of the Corporation or a subsidiary; (ii) to provide an incentive to

such eligible participants to continue their services for the Corporation or a subsidiary and to encourage such eligible participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a subsidiary are necessary or essential to its success, image, reputation or activities; (iii) to reward such eligible participants for their performance of services while working for the Corporation or a subsidiary; and (iv) to provide a means through which the Corporation or a subsidiary may attract and retain qualified persons from a highly competitive market to serve the Corporation or its subsidiaries.

A summary of certain provisions of the DSU/RSU Plan is set out below, and a full copy of the DSU/RSU Plan is attached as Schedule “D” to this Circular. This summary is qualified in its entirety to the full copy of the DSU/RSU Plan.

Summary of DSU/RSU Plan

Eligibility

The DSU/RSU Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of deferred share units (“**DSUs**”) and restricted share units (“**RSUs**”) (collectively, the “**Awards**”) to certain eligible directors, officers, employees and consultants providing ongoing services to the Corporation or its subsidiaries, excluding any persons who perform investor relations activities on behalf of the Corporation or any of its subsidiaries (collectively, the “**Eligible Participants**” and all Eligible Participants that receive Awards being the “**Participants**”).

Number of Shares Issuable

The aggregate number of Common Shares (each, a “**Share**”) that may be issued to Participants under the DSU/RSU Plan may not exceed 12,036,052 Shares (10% of the total issued and outstanding Shares of the Corporation at the effective date of the DSU/RSU Plan), subject to adjustment as provided for in the DSU/RSU Plan.

Limits on Participation

The DSU/RSU Plan provides for the following limits on grants of Awards at all times when the Corporation is listed on the TSX-V and for so long as such limitations are required by the TSX-V, unless disinterested shareholder approval is obtained in accordance with the policies of the TSX-V (or unless permitted otherwise by the policies of the TSX-V):

- (i) the maximum aggregate number of Shares that may be issued to insiders (as a group) under the DSU/RSU Plan, together with all of the Corporation’s other share based compensation arrangements, within any 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant of any Award;
- (ii) the maximum aggregate number of Shares that may be issued to insiders (as a group) under the DSU/RSU Plan, together with all of the Corporation’s other share based compensation arrangements, may not exceed 10% of the issued Shares at any time; and
- (iii) the maximum aggregate number of Shares that are issuable pursuant to Awards issued or granted, as applicable, to any one Participant under the DSU/RSU Plan, together with all other share based compensation arrangements, in any twelve (12) month period must not exceed 5% of the Shares, calculated as at the date any Award is granted or issued.

In addition, at all times when the Corporation is listed on the TSX-V and for so long as such limitations are required by the TSX-V:

- (i) the maximum aggregate number of Shares that are issuable pursuant to Awards issued or granted, as applicable, to any one Participant that is a consultant under the DSU/RSU Plan, together with all other share based compensation arrangement, in any twelve (12) month period must not exceed 2% of the Shares, calculated as at the date any Award is granted or issued;

- (ii) no Awards may be granted under the DSU/RSU Plan to persons retained to provide investor relations activities; and
- (iii) any Awards issued or granted, as applicable to any Participant who ceases to be an eligible participant under the DSU/RSU Plan for any reason whatsoever, shall terminate on a date no later than 12 months from the date such Participant ceases to be an eligible participant under the DSU/RSU Plan.

Administration

The DSU/RSU Plan will be administered and interpreted by the Board of Directors (the “**Board**”) or, if the Board by resolution so decides, by a committee appointed by the Board and consisting of not less than three (3) members of the Board. If a committee is appointed for this purpose, all references to the term “Board” will be deemed to be references to the committee.

The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules, regulations and policies for carrying out the provisions and purposes of the DSU/RSU Plan, subject to any applicable rules of the TSX-V. Subject to the provisions of the DSU/RSU Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the DSU/RSU Plan as it may deem necessary or advisable. The interpretation, construction and application of the DSU/RSU Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.

In its capacity as administrator of the DSU/RSU Plan, the Board will, among other things: (i) determine which directors, officers, employees or consultants are eligible to receive Awards under the DSU/RSU Plan; (ii) determine any vesting provisions or other restrictions on Awards; (iii) determine conditions under which Awards may be granted, vested or settled, including establishing performance goals; (iv) establish the form of agreement in respect of Awards; (v) interpret the DSU/RSU Plan; and (vi) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the DSU/RSU Plan.

Award of DSUs

The DSU/RSU Plan provides for the grant of deferred share units (each, a “**DSU**”). A DSU is an award of phantom share units to an eligible Participant, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

The Board may fix from time to time a portion of the annual compensation (including annual retainer and meeting fees, if any) to be paid by the Corporation to an Eligible Participant who is a non-employee director of the Corporation in a calendar year for service on the Board that is to be payable in the form of DSUs. In addition, each Eligible Participant who is a non-employee director of the Corporation may request that a percentage of their annual compensation be paid by the Corporation in the form of DSUs, with the balance being paid in cash. The Board has the right, in its sole and absolute discretion, to accept or reject such request, in whole or in part.

Effective as of the last day of each calendar quarter, each Eligible Participant who is to be paid a portion of their compensation in DSUs will be issued that number of DSUs determined by dividing the dollar amount of such compensation payable in DSUs in respect of such quarter by the “Market Value” of the Shares on such date. The “**Market Value**” means at any date, the volume weighted average trading price of the Shares on the five trading days prior to such date, calculated by dividing the total value by the total volume of Shares traded on the principal stock exchange on which the Shares are listed (i.e., the TSX-V), or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith, provided that the Market Value for any Award whose value is initially tied to the trading price of the Shares shall not be lower than the Discounted Market Price as defined and determined under the policies of the TSX-V. At the discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

In addition, the Board may, from time to time, subject to the provisions of the DSU/RSU Plan and such other terms and conditions as the Board may determine, grant DSUs to an Eligible Participant who is not a non-employee director of the Corporation as it deems advisable to provide the Eligible Participant with appropriate equity-based compensation for the services they render to the Corporation, and, in doing so, may, without limitation, in its discretion, (a) designate the Eligible Participants who may receive DSUs, (b) fix the number of DSUs, if any, to be granted to each Eligible Participant and the date or dates on which such DSUs shall be granted, (c) determine the relevant conditions and vesting provisions (including any performance criteria, if any, and performance period), and (d) the vesting schedule of the DSUs.

On each such date of grant, the Eligible Participant's Account will be credited with that number of DSUs granted to such Eligible Participant on such grant date.

No DSU granted pursuant to the DSU/RSU Plan may vest before the date that is one year following the date it is granted, other than in the event a Participant dies or ceases to be an Eligible Participant in connection with a Change of Control (as defined in the DSU/RSU Plan).

Redemption of DSUs

A Participant may redeem their DSUs which have vested during the period commencing on the day after the date they cease to be an Eligible Participant (the "**Termination Date**") and ending on the 90th day following the Termination Date upon written notice of redemption to the Corporation. The notice of redemption may indicate the preference of the Participant to receive in respect of such redemption: (i) a cash payment equal to the number of DSUs credited to the Participant as of the Termination Date multiplied by the Market Value on the Termination Date, net of any applicable withholding taxes; (ii) Shares equal to the number of DSUs credited to the Participant as of the Termination Date, net of any applicable deductions and withholdings; or (iii) a percentage of the DSUs paid out in cash and the remaining percentage of the DSUs paid out as Shares.

Such an indication of preference shall not be binding on the Corporation, and the Board shall be entitled to satisfy any DSU so redeemed in cash, Shares or a combination thereof as it may determine in its sole and absolute discretion. A Participant shall not have any right to demand, be paid in, or receive any specific allocation of cash or Shares in respect of a DSU at any time.

Provided a notice of redemption is received by the Corporation within the specified time, the Corporation will make all of the payments in respect of the redemption of the DSUs to the Participant within 120 calendar days of the Termination Date by issuing, delivering or paying to such Participant a payout with respect to the DSUs in one of the following forms as determined by the Corporation in its sole discretion: (i) cash in an amount equal to the number of DSUs credited to the Participant's account as of the Termination Date multiplied by the Market Value on the Termination Date, net of any applicable withholding taxes; (ii) subject to the limitations set out in the DSU/RSU Plan, that number of Shares issued from treasury as is equal to the number of DSUs credited to the Participant's account as of the Termination Date, net of any applicable deductions and withholdings; (iii) subject to and in accordance with any applicable law, that number of Shares as is equal to the number of DSUs credited to the Participant's account as of the Termination Date purchased by a broker designated by the Corporation, net of any applicable deductions and withholdings; or (iv) any combination of the foregoing. Upon making such payment to the Participant, the DSUs upon which such payment was based shall be cancelled and no further payments shall be made from the DSU/RSU Plan in relation to such DSUs.

In the event that the settlement date for the redemption of any DSUs falls during a black-out period, then such settlement date shall be automatically extended to the 10th business day following the date that such black-out period is lifted, terminated or removed, unless the delayed expiration would cause adverse tax consequences to a Canadian Participant or the Corporation is subject to a cease trade order in respect of the Corporation's securities and provided that such extension is available to all eligible Participants under the DSU/RSU Plan under the same terms and conditions.

Award of Dividend Equivalents

Dividend equivalents will be awarded in respect of DSUs in a Participant's account on the same basis as dividends declared and paid on the Shares designated to the DSU as if the Participant was a shareholder of record of Shares on the relevant record date. These dividend equivalents will be credited to the Participant's account as additional DSUs (or fractions thereof), with the number of additional DSUs based on (a) the actual amount of dividends that would have been paid if the Participant's DSUs on the applicable record date for the dividend had been Shares divided by (b) the Market Value per Share on the date on which the dividends on Shares are payable. For greater certainty, no DSUs representing dividend equivalents will be credited to a Participant's account in relation to DSUs that have been previously cancelled or paid out of the DSU/RSU Plan and all additional DSUs credited as a result of a dividend equivalent will be credited at the same time as any applicable final payment in respect of the DSUs. In the event that the number of DSUs to be granted would result in the number of Shares issuable pursuant to all share based compensation arrangements of the Corporation granted or awarded to exceed the limits set out in the DSU/RSU Plan, such DSUs shall not be granted and the Board may determine, in its sole discretion, to make a cash payment to the Participant in lieu thereof.

Award of RSUs

The DSU/RSU Plan provides for the grant of restricted share units (each, a "**RSU**"). A RSU is an award entitling the recipient to acquire Shares or the cash equivalent, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Subject to the provisions of the DSU/RSU Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the class of Share, relevant conditions and vesting provisions (including performance criteria and periods, if any) and restriction period of such RSUs.

For each award of RSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period in order for a Participant to be entitled to receive Shares in exchange for his or her RSUs. For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the "Performance Period"), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three years after the financial year in which the Award was granted.

The Board shall determine applicable restriction periods in respect of RSU awards which shall end no later than December 31 of the calendar year which is three years after the calendar year in which the Award is granted ("**Restriction Period**"). Subject to the Board's determination, any vested RSUs with respect to a Restriction Period will be paid to Participants no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested RSUs shall be cancelled on the RSU Vesting Determination Date and, in any event, no later than the last day of the Restriction Period.

Subject to the vesting and other conditions and provisions set forth in the DSU/RSU Plan and in the agreement governing their RSU grant, each RSU awarded to a Participant shall entitle them, at their election, to receive one Share issued from treasury or the cash equivalent at any time following the date on which the Board determines if any performance criteria and/or other vesting conditions with respect to the RSU have been met (the "**RSU Vesting Determination Date**") but no later than the date that is three years from their RSU Vesting Determination Date or such shorter terms as may be required in respect of an Award so that such Award does not constitute a "salary deferral arrangement" as defined in Section 248(1) of the Income Tax Act (Canada) (the "**RSU Settlement Date**").

Settlement of RSUs.

In the event that the vesting conditions, as well as any performance criteria within a performance period, if applicable, of an RSU are satisfied, except as otherwise provided in any RSU Agreement, all of the vested RSUs covered by a particular grant may be settled at any time following their RSU Vesting Determination Date, but with respect to RSUs granted to Canadian Participants, no settlement date shall occur, and no Share shall be issued or cash payment shall be made in respect of the RSU any later than the final business day of the third calendar year following the year in which the RSU is granted so that such Award does not constitute a “salary deferral arrangement”. In such a case, a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, a notice in respect of any or all vested RSUs held by such Participant indicating their preference, including with respect to any fractional RSUs, to settle vested RSUs for their cash equivalent, Shares issued from treasury, or a combination thereof. Such an indication of preference is not binding on the Corporation, and the Board is entitled to satisfy any vested RSUs for their cash equivalent, Shares issued from treasury, or a combination thereof as it may determine in its sole and absolute discretion. Settlement of RSUs shall take place promptly following the RSU Settlement Date, and in any event no later than one year from the Termination Date.

In the event that an RSU Settlement Date falls during a black-out period, then such RSU Settlement Date shall be automatically extended to the 10th business day following the date that such black-out period is lifted, terminated or removed, unless the delayed expiration would cause the RSU Settlement Date to occur any later than the final business day of the third calendar year following the year in which the RSU is granted to a Canadian Participant or the Corporation is subject to a cease trade order in respect of the Corporation’s securities and provided that such extension is available to all eligible Participants under the DSU/RSU Plan under the same terms and conditions.

For purposes of determining the cash equivalent of RSUs to be settled in cash, such calculation will be made on the RSU Settlement Date and will equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant’s account to be settled in cash.

For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs to be settled in Shares, such calculation will be made on the RSU Settlement Date and be the whole number of Shares equal to the whole number of vested RSUs in the Participant’s account to be settled in Shares. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

Award of Dividend Equivalents

Dividend equivalents will be awarded in respect of RSUs in a Participant’s account on the same basis as dividends declared and paid on the Shares designated to the RSU as if the Participant was a shareholder of record of Shares on the relevant record date. These dividend equivalents will be credited to the Participant’s account as additional RSUs (or fractions thereof), with the number of additional RSUs based on (a) the actual amount of dividends that would have been paid if the Participant’s RSUs on the applicable record date for the dividend had been Shares divided by (b) the Market Value per Share on the date on which the dividends on Shares are payable. For greater certainty, no RSUs representing dividend equivalents will be credited to a Participant’s account in relation to RSUs that have been previously cancelled or paid out of the DSU/RSU Plan and all additional RSUs credited as a result of a dividend equivalent will be credited at the same time as any applicable final payment in respect of the RSUs. In the event that the number of RSUs to be granted would result in the number of Shares issuable pursuant to all share based compensation arrangements of the Corporation granted or awarded to exceed the limits set out in the DSU/RSU Plan, such RSUs shall not be granted and the Board may determine, in its sole discretion, to make a cash payment to the Participant in lieu thereof.

Termination of Awards

If a Participant ceases to be an Eligible Participant for any reason, then: (i) each Award held by the Participant that has not vested as of the date they cease to be an Eligible Participant (the “**Termination Date**”) will be immediately forfeited and cancelled as of the Termination Date; and (ii) all Awards held by the Participant that have vested as of their Termination Date shall be settled as provided in the DSU/RSU Plan.

If a Participant ceases to be an Eligible Participant because their employment or services are terminated by the Corporation or a subsidiary of the Corporation for cause, then any unexercised vested or unvested Award held by the Participant is immediately forfeited and cancelled as of the Termination Date.

If a Participant cease to be an Eligible Participant because their employment or services are terminated by reason of their death or disability, then each Award held by the Participant that has not vested as of the date of their death or disability will vest on such date, and be settled as provided in the DSU/RSU Plan.

A Participant's eligibility to receive further grants of Awards under the DSU/RSU Plan ceases as of: (i) the date that the Corporation or a subsidiary provides the Participant with written notification that the Participant's employment or services are terminated, notwithstanding that such date may be prior to the Termination Date; or (ii) the date of the death or Disability of the Participant.

The Board, in its discretion, subject to shareholder and TSX-V approval, as and when required, may at any time prior to or following a Participant's Termination Date, permit the acceleration of vesting of any or all Awards, in such manner and on such terms as it may authorize. If such discretion is taken and the vesting of any or all Awards occurs, then such Awards will be settled in accordance with the terms of the DSU/RSU Plan, provided that no Award issued or granted pursuant to the DSU/RSU Plan may vest before the date that is one year following the date it is issued or granted, other than in the event a Participant dies or ceases to be an Eligible Participant in connection with a Change of Control.

Amendment or Discontinuance of the DSU/RSU Plan

The Board may amend the DSU/RSU Plan or any Award at any time without the consent of the Participants provided that such amendment shall: (i) not adversely alter or impair any Award previously granted except as otherwise permitted under the DSU/RSU Plan; (ii) be subject to any regulatory approvals including, where required, the approval of the TSX-V; and (iii) be subject to shareholder approval, where required by law or the requirements of the TSX-V.

However, 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: (i) amendments of a "housekeeping" nature; (ii) a change to the vesting provisions of any Award; and (iii) any changes or amendments required by the TSX-V.

The Board is required to obtain disinterested shareholder approval to make the following amendments: (i) any change to the maximum number of Shares issuable from treasury under the DSU/RSU Plan, subject to certain exceptions; (ii) any amendment which reduces the exercise price of any Award granted to an insider after such Awards have been granted or any cancellation of an Award granted to an insider and the substitution of that Award by a new Award with a reduced price; (iii) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date, except in case of a permitted extension due to a black-out period; (iv) amend the limitations on the maximum number of Shares reserved or issued to insiders; (v) any amendment which would permit a change to the Eligible Participants, including a change which would have the potential of broadening or increasing participation by insiders; or (vi) any amendment to the amendment provisions of the DSU/RSU Plan. Shares held directly or indirectly by insiders benefiting from the amendments described in (i), (ii), (iii) and (iv) above shall be excluded when obtaining such shareholder approval.

In addition, the Board is required to obtain disinterested shareholder approval to make the following amendments: (i) any change to the termination provisions contained herein in respect of when Awards are forfeited or cancelled, as applicable, following a Termination Date; and (ii) any changes to participants eligible to participate in the DSU/RSU Plan as "Eligible Participants".

In the event of a Change of Control, a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in applicable securities laws) for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances, including, without limitation, changing any performance criteria and/or other vesting conditions for the Awards and/or the date on which any Award expires or the Restriction Period, performance period for any performance criteria and/or other vesting conditions for the Awards.

The Board may, subject to regulatory approval, discontinue the DSU/RSU Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the DSU/RSU Plan.

DSU/RSU Plan Resolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve an ordinary resolution approving the DSU/RSU Plan (the “**DSU/RSU Plan Resolution**”). The full text of the DSU/RSU Plan Resolution is as follows:

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

- (a) subject to final acceptance of the TSX Venture Exchange (the “TSX-V”), the Corporation’s deferred share unit and restricted share unit compensation plan (the “DSU/RSU Plan”), in the form attached as Schedule “D” to the management information circular of the Corporation dated October 4, 2022, is hereby approved;
- (b) the directors of the Corporation or any committee of the board of directors of the Corporation are hereby authorized to grant deferred share units (“DSUs”) and restricted share units (“RSUs”) pursuant to the DSU/RSU Plan to those eligible to receive DSUs and RSUs thereunder;
- (c) any one director or officer of the Corporation is hereby authorized to execute and deliver on behalf of the Corporation all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Corporation, the adoption of the proposed DSU/RSU Plan is conditional upon receipt of final approval of the TSX-V, and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable to the directors.”

The Board of Directors has concluded that the DSU/RSU Plan is in the best interests of the Corporation. Accordingly, the Board of Directors recommends that Shareholders vote in favour of the DSU/RSU Plan Resolution.

Unless otherwise directed, the persons named in the form of proxy for the Meeting intend to vote FOR the DSU/RSU Plan Resolution. A majority of the votes cast by Shareholders at the Meeting is required to approve the DSU/RSU Plan Resolution.

Approval of Loans to Executive Officers

At the Meeting, Shareholders will be asked to approve, by way of ordinary resolution of shareholders on a disinterested basis, certain loans the Corporation proposes to make to certain of its executive officers for the purpose of purchasing securities of the Corporation. The Corporation agreed to provide the loans to the executive officers during the negotiating process leading up to their being hired in order to secure their agreement to join the Corporation, to enable them to secure a meaningful share ownership in the Corporation and to align their interests and motivations with shareholders.

As part of the terms of employment when Hugues Jacquemin was hired as Chief Executive of the Corporation and Guillaume Jacq was hired as Chief Financial Officer of the Corporation, the Corporation agreed, subject to approval of the TSX-V, to provide Mr. Jacquemin and Mr. Jacq (the “**Executives**”) loans in the amounts of \$187,500 and \$150,000 respectively (the “**Executive Loans**”), for the purpose of purchasing securities of the Corporation from the Corporation on a private placement basis (the “**Executive Private Placement**”). Under the Executive Private Placement, the Executives would purchase units of the Corporation at a price of \$0.75 per unit, each unit consisting of one Common Share and one-half of one common share purchase warrant of the Corporation, and each whole

warrant being exercisable to acquire one Common Share at an exercise price of \$1.10 per share for a period of two years.

The material terms of the proposed Executive Loans are as follows:

- The Executive Loans would have a term of the earlier of three years or any termination of the Executives' employment with the Corporation. In addition, the Executives would be required to repay the Executive Loans in whole or in part (i) from the proceeds of future bonuses, if as and when they become due and payable, by the Corporation applying 50% of each bonus, net of applicable statutory withholdings, to reduce the outstanding amount of the Executive Loans plus any unpaid interest accrued as of the date of the bonus payment, and (ii) upon the sale by the Executive of any of the Common Shares acquired under the Executive Private Placement in a minimum proportion equal to the proportionate number of Common Shares acquired which are sold.
- The Executive Loans would bear interest calculated at the rate, if any, used to calculate taxable benefits for employees and shareholders prescribed under the income tax laws of the jurisdictions of residence of the Executives, adjusted quarterly in accordance with such income tax laws if applicable. Simple interest, if any, would be calculated daily, not in advance, on the unpaid balance, would be due on December 31 in each year and would be payable within 30 days of the calendar year end or upon repayment in full of the Executive Loans. The Executives would be required to pay the interest in cash if they have not been paid a bonus, or a sufficient bonus, out of which to pay the interest.
- The Executive Loans would be secured by a pledge to the Corporation of the Common Shares acquired by the Executives under the Executive Private Placement as security for the repayment of the Executive Loans.

The proposed Executive Loans are subject to TSX-V acceptance. Pursuant to the requirements of the TSX-V for loans such as the Executive Loans, the Corporation must obtain TSX-V acceptance for the Executive Loans and also obtain shareholder approval for the Executive Loans on a disinterested basis, as required and described in TSX-V Policy 4.4. The Corporation has applied for but not yet received conditional acceptance of the Executive Loans from the TSX-V. Disinterested shareholder approval of the Executive Loans is being sought at the Meeting.

The Executive Private Placement will be subject to the requirements of TSX-V Policy 4.1 - *Private Placements*, including receipt of TSX-V acceptance for the Executive Private Placement. All securities acquired under the Executive Private Placement will be subject to resale restrictions for a period of four months under applicable Canadian securities laws and the policies of the TSX-V.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution of disinterested shareholders approving the Executive Loans (the "**Executive Loans Resolution**"). The full text of the Executive Loans Resolution is as follows:

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

1. the loans proposed to be made by the Corporation to its Chief Executive Officer and Chief Financial Officer in the amounts of \$187,500 and \$150,000 respectively for the purpose of purchasing securities of the Corporation from the Corporation on a private placement basis, as described in the the management information circular of the Corporation dated October 4, 2022, are hereby authorized and approved; and
2. any one director or officer of the Corporation, is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such documents and instruments and to do all other things as in the opinion of such directors or officers may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action."

The Board of Directors has concluded that the Executive Loans are the best interests of the Corporation in order to provide the Executives with the complete compensation packages contemplated in their employment agreements and to provide them with share ownership of the Corporation which aligns their interests and motivations with

shareholders. Accordingly, the Board of Directors recommends that Shareholders vote in favour of the Executive Loans Resolution.

Unless otherwise directed, the persons named in the form of proxy for the Meeting intend to vote FOR the Executive Loans Resolution. A majority of the votes cast by disinterested Shareholders at the Meeting is required to approve the Executive Loans Resolution. For purposes of determining disinterested shareholder approval, votes attaching to any Common Shares beneficially owned by the Executives and their associates and affiliates will be excluded from voting.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), the Corporation is required to disclose the compensation paid to its “named executive officers”. This means the Corporation’s Chief Executive Officer and Chief Financial Officer (or individuals who served in similar capacities) for any part of the Corporation’s most recently completed financial year, and the three most highly compensated executive officers (or individuals who served in similar capacities), other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 (and each individual who would be a “named executive officer” but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the financial year).

For the financial year ended December 31, 2021, the “named executive officers” of the Corporation were Mr. Gregory Bowes, currently Executive Chair and formerly the Chief Executive Officer of the Corporation, and Mr. John McNeice, the Chief Financial Officer of the Corporation (the “**Named Executive Officers**” or “**NEOs**”).

Compensation Discussion and Analysis

The Board of Directors establishes the remuneration of the Chief Executive Officer on the basis of a recommendation from the Compensation and Nomination Committee. In addition, the Compensation and Nomination Committee, based on the recommendation of the Chief Executive Officer, establishes the remuneration of executives reporting to the Chief Executive Officer, including their participation in incentive plans offered by the Corporation.

The objective of the Corporation’s compensation program is to provide suitable compensation for executives that is competitive to other junior mining issuers that are at a similar stage of development to that of the Corporation and which reflects the achievements of the Corporation’s executives. This approach is designed to attract and retain highly qualified individuals who are able to carry out the Corporation’s business objectives. The compensation program aims to ensure total remuneration is competitive by market standards and link rewards with the short-term and long-term strategic goals and performance of the Corporation by providing compensation arrangements that are comprised of both a fixed component and an at-risk component, with the at-risk component being composed of certain incentives.

The Corporation has an annual incentive program for the NEOs under employment with the Corporation, approved by the Board of Directors, which may consist of cash bonuses ranging from 10% to 60% of base salary for achieving certain corporate and/or individual performance levels with reference to pre-set objectives. The payment of any bonus is discretionary and is based on an evaluation carried out by the Compensation and Nomination Committee. All bonuses are approved by the Board of Directors. It was expected that, at a minimum, NEOs would be paid the lower end of the range, provided the Corporation has the financial resources to do so. The minimum reflects the fact that the Corporation does not provide its employees with any pension benefits. NEO bonuses will be in the middle of the range based on satisfactory personal and market performance and at the higher end of the range for performance that exceeds goals, expectations and market performance indices. Market performance is based on the Corporation’s share price performance relative to the performance of the TSX Venture Select Index and the TSX-V Index for the period. Bonuses can be increased by up to 100% at the discretion of the Compensation and Nomination Committee based on outstanding performance with respect to the objectives.

Option-Based Awards

The Board of Directors has the responsibility to administer the compensation policies related to the executive management of the Corporation, including option-based awards. The Corporation's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of executive officers, as well as their impact or contribution to the longer-term operating performance of the Corporation. Option-based awards are determined by the Compensation and Nomination Committee based on recommendations from the Chief Executive Officer.

The Corporation also uses the granting of stock options as part of its compensation strategy to offer additional incentive and compensation for services. Stock options will also be used to provide an incentive for executive officers to remain associated with the Corporation and, to a lesser extent, to increase ownership in the Corporation. Long-term incentives for executive officers and directors have been provided through options granted under the Stock Option Plan. As the Corporation's business focuses on the exploration and development of mineral properties, options are used to provide incentives to the directors and executive officers of the Corporation and are intended to be an important part of compensation. The Corporation may amend its stock option policies as it moves further towards commencing commercial production in respect of mineral properties and continues to review the appropriateness of all forms of compensation paid to its directors and executive officers.

Summary of the Stock Option Plan

The Corporation's Stock Option Plan is designed to motivate and retain directors, officers, key employees, and other service providers, and to align their interests with those of the Corporation's Shareholders. Participation in the Stock Option Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Stock Option Plan enables executives, including directors, to develop and maintain a significant ownership interest in the Corporation.

The Board of Directors of the Corporation, or an authorized committee of the Board of Directors, may, from time to time, in its discretion, and in accordance with the rules and regulations of the TSX-V, grant to directors and officers of the Corporation, and bona fide Employees, Consultants, or Management Company Employees (all as defined in the policies of the TSX-V) of the Corporation, non-transferable options to purchase Common Shares for a period of up to ten years from the date of the grant, subject to the following limitations:

- The securities offered under the Stock Option Plan consist of options to acquire up to a maximum of 10% of the issued Common Shares at the time of the grant of an option. The aggregate number of Common Shares to be delivered upon the exercise of all options granted under the Stock Option Plan will not exceed the maximum number of Common Shares permitted under the rules of any stock exchange on which the Common Shares are then listed or the rules of any other regulatory body having jurisdiction over the Common Shares. If any option granted under the Stock Option Plan expires or terminates for any reason without having been exercised in full, the unpurchased Common Shares subject thereto will again be available for the purpose of the Stock Option Plan. Each option granted under the Stock Option Plan is non-assignable and non-transferable.
- The maximum aggregate number of Common Shares issuable pursuant to options that may be issued to any one person under the Stock Option Plan, together with all of the Corporation's other share based compensation arrangements, within any 12-month period, may not exceed 5% of the outstanding Common Shares calculated on the date of grant of any option, unless disinterested shareholder approval is obtained in accordance with the policies of the TSX-V (or unless permitted otherwise by the policies of the TSX-V).
- The maximum aggregate number of Common Shares issuable pursuant to options that may be issued to insiders (as a group) under the Stock Option Plan, together with all of the Corporation's other share based compensation arrangements, within any 12-month period, may not exceed 10% of the issued Common Shares calculated on the date of grant of any option, unless disinterested shareholder approval is obtained in accordance with the policies of the TSX-V (or unless permitted otherwise by the policies of the TSX-V).

- The maximum aggregate number of Common Shares issuable pursuant to options that may be issued to insiders (as a group) under the Stock Option Plan, together with all of the Corporation's other share based compensation arrangements, may not exceed 10% of the issued Common Shares at any time, unless the Corporation has obtained disinterested shareholder approval in accordance with the policies of the TSX-V (or unless permitted otherwise by the policies of the TSX-V).
- The maximum aggregate number of Common Shares issuable pursuant to options that may be issued to any one Consultant under the Stock Option Plan, together with all of the Corporation's other share based compensation arrangements, within any 12-month period, may not exceed 2% of the issued Common Shares calculated on the date of grant of any option.
- The maximum aggregate number of Common Shares issuable pursuant to options that may be issued to persons employed or contracted to provide Investor Relations Activities (as a group), within any 12-month period, may not exceed 2% of the issued Common Shares calculated on the date of grant of any option. In addition, options granted to Consultants performing Investor Relations Activities must vest in stages over a twelve month period with no more than 25% of the options vesting in any three month period.

The exercise price of the Common Shares covered by each option shall be determined by the Board of Directors. The exercise price will not be less than the price permitted by any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction. Currently, the TSX-V requires that the exercise price of the options must be equal to or greater than the Discounted Market Price (as defined in the policies of the TSX-V). All options that have been granted under the Stock Option Plan have been issued at an exercise price not less than the closing market price of the Common Shares on the date prior to the date of the grant. The exercise price of options is solely payable in cash.

The Stock Option Plan provides that the minimum price at which an option holder may purchase a Common Share upon the exercise of an option shall not be established unless the option is allocated to a particular person in accordance with the terms of the Stock Option Plan and, more specifically, the Corporation shall not grant options unless and until such options have been allocated to a particular person or persons.

The ability of the options to be exercised and the obligation of the Corporation to issue and deliver Common Shares in accordance with the Stock Option Plan are subject to any approvals that may be required from the Shareholders of the Corporation, or any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation.

If a participant ceases to be a director, officer, Employee or Consultant, as the case may be, of the Corporation for any reason (other than death), she/he may exercise her/his option to the extent that she/he was entitled to exercise it at the date of such cessation, but only for a period determined by the Board of Directors of up to one year following her/his ceasing to be a director, officer, Employee or Consultant. In the case of an optionee's death, the optionee's heirs or administrators can exercise any portion of the options for up to six months from the optionee's death. Nothing contained in the Stock Option Plan, nor in any option granted pursuant to the Stock Option Plan, will confer upon any participant any right with respect to continuance as a director, officer, employee or consultant of the Corporation or of any affiliate.

Subject to applicable regulatory approvals including approval of the TSX-V where required, appropriate adjustments in the number of Common Shares issuable upon exercise of outstanding options and in the exercise price of the options shall be made to give effect to adjustments in the number of Common Shares resulting from any subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Corporation or other relevant changes in the capital structure of the Corporation.

If and for so long as the Corporation is listed on the TSX-V and in addition to any resale restrictions under applicable securities laws, any options granted to an insider of the Corporation will be subject to a four-month hold period commencing on the particular date of grant of the option, and the option certificate and the share certificate, if applicable, shall bear a restrictive legend setting out any such applicable hold period.

In accordance with TSX-V Policy 3.3, any grant or amendment of an option to an insider or a person performing investor relations activities shall be disclosed to the public on the day the option is granted or amended. The news release shall include the terms of the options under the grant and any subsequent shareholder and TSX-V approvals that may be required.

The Board may amend the Stock Option Plan or any Option at any time without the consent of the optionees provided that such amendment shall: (i) not adversely alter or impair any Award previously granted except as otherwise permitted under the Stock Option Plan; (ii) be subject to any regulatory approvals including, where required, the approval of the TSX-V; and (iii) be subject to shareholder approval, where required by law or the requirements of the TSX-V.

However, 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: (i) amendments of a “housekeeping” nature; (ii) a change to the vesting provisions of any Option; and (iii) any changes or amendments required by the TSX-V.

The Board is required to obtain disinterested shareholder approval to make the following amendments: (i) any change to the maximum number of Common Shares issuable from treasury under the Stock Option Plan, subject to certain exceptions; (ii) any amendment which reduces the exercise price of any Option granted to an insider after such Option has been granted or any cancellation of an Option granted to an insider and the substitution of that Option by a new Option with a reduced price; (iii) any amendment which extends the expiry date of any Option, except in case of a permitted extension due to a black-out period; (iv) amend the limitations on the maximum number of Common Shares reserved or issued to insiders; (v) any amendment which would permit a change to the eligible participants, including a change which would have the potential of broadening or increasing participation by insiders; or (vi) any amendment to the amendment provisions of the Stock Option Plan. Common Shares held directly or indirectly by insiders benefiting from the amendments described in (i), (ii), (iii) and (iv) above shall be excluded when obtaining such shareholder approval.

In addition, the Board is required to obtain disinterested shareholder approval to make the following amendments: (i) any change to the termination provisions contained herein in respect of when Options are forfeited or cancelled, as applicable, following a termination date; and (ii) any changes to participants eligible to participate in the Stock Option Plan as “Eligible Persons”.

In the event of a Change of Control (as defined in the Stock Option Plan), the Board may, subject to any necessary regulatory approvals, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances, including immediately vesting any unvested Options.

The Board may, subject to regulatory approval, discontinue the Stock Option Plan at any time without the consent of the optionees provided that such discontinuance shall not materially and adversely affect any Option previously granted to an optionee under the Stock Option Plan.

Summary Compensation Table

The following table sets forth information concerning compensation earned for services rendered by the Named Executive Officers for the years ended December 31, 2021, 2020 and 2019.

| Summary Compensation Table | | | | | | | | |
|---|------|--------------------------|--------------------|--------------------------|--|---------------|------------------------|--------------------|
| Name and Principal Position | Year | Salary | Share-Based Awards | Option-Based Awards | Non-Equity Incentive Plan Compensation | Pension Value | All Other Compensation | Total Compensation |
| Gregory Bowes ⁽¹⁾ Chief Executive Officer | 2021 | \$250,000 ⁽²⁾ | Nil | \$408,868 ⁽³⁾ | Nil | Nil | \$50,000 | \$708,868 |
| | 2020 | \$180,000 | Nil | \$64,167 ⁽⁴⁾ | Nil | Nil | Nil | \$244,167 |
| | 2019 | \$180,000 | Nil | Nil | Nil | Nil | Nil | \$180,000 |
| John McNeice ⁽⁵⁾ Chief Financial Officer | 2021 | \$66,994 | Nil | \$26,379 ⁽⁶⁾ | Nil | Nil | \$15,000 | \$108,373 |
| | 2020 | \$39,690 | Nil | \$25,667 ⁽⁷⁾ | Nil | Nil | Nil | \$65,357 |
| | 2019 | \$51,604 | Nil | Nil | Nil | Nil | Nil | \$51,604 |

Notes:

- (1) Subsequent to year end, on June 8, 2022, Mr. Bowes ceased to be Chief Executive Officer of the Corporation and became the Executive Chair of the Corporation, and Hugues Jacquemin was appointed as Chief Executive Officer of the Corporation.
- (2) Effective January 1, 2019, Mr. Bowes' salary was voluntarily reduced to \$180,000. During the year ended December 31, 2021, Mr. Bowes' salary was reinstated to \$250,000 and was paid bonus of \$50,000.
- (3) On April 16, 2021, Mr. Bowes was granted 1,550,000 stock options with an exercise price of \$0.50 expiring on April 15, 2026.
- (4) On July 22, 2020, Mr. Bowes was granted 500,000 stock options with an exercise price of \$0.20 expiring on July 23, 2025.
- (5) Mr. McNeice's services to the Corporation are provided by 6905498 Canada Inc., an external management company, of which Mr. McNeice is a principal. During the year ended December 31, 2021, Mr. McNeice charged fees of \$66,994 and was paid a bonus of \$15,000 for his services as Chief Financial Officer.
- (6) On April 16, 2021, Mr. McNeice was granted 100,000 stock options with an exercise price of \$0.50 expiring on April 15, 2026.
- (7) On July 22, 2020, Mr. McNeice was granted 200,000 stock options with an exercise price of \$0.20 expiring on July 23, 2025.

For a description of the agreements or arrangements that are in place with respect to the Named Executive Officers, see "Compensation Discussion and Analysis" and "Termination and Change of Control Benefits".

Long-Term Incentive Plan Awards and Stock Appreciation Rights

The Corporation does not maintain any long-term incentive plans and does not grant stock appreciation rights.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the details regarding the incentive awards for each NEO outstanding as of December 31, 2021, including awards granted before the most recently completed financial year.

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|--|---|----------------------------|---|---|--|--|--|
| | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised in-the-Money Options (\$) ⁽¹⁾ | Number of Shares or Units of Shares That Have Not Vested (#) | Market or Payout Value of Share-Based Awards That Have Not Vested (\$) | Market or Payout Value of Vested Share-Based Awards Not Paid or Distributed (\$) |
| Gregory Bowes Chief Executive Officer | 500,000 100,000 1,550,000 | \$0.20 \$0.50 \$0.50 | July 23, 2025 January 12, 2023 April 15, 2026 | \$315,000 \$33,000 \$511,500 | N/A | N/A | N/A |
| John McNeice Chief Financial Officer | 200,000 200,000 100,000 | \$0.20 \$0.50 \$0.50 | July 23, 2025 January 12, 2023 April 15, 2026 | \$126,000 \$66,000 \$33,000 | N/A | N/A | N/A |

Notes:

- (1) The market price of the Common Shares on December 31, 2020 was \$0.83.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each Named Executive Officer for the financial year ended December 31, 2021.

| Name | Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$) | Share-Based Awards – Value Vested During the Year (\$) | Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) |
|--|--|--|--|
| Gregory Bowes Chief Executive Officer | \$408,868 | Nil | \$50,000 |
| John McNeice Chief Financial Officer | \$26,379 | Nil | \$15,000 |

Notes:

- (1) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in Note 8 to the Corporation's financial statements for the year ended December 31, 2021.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Corporation has entered into an employment agreement with Mr. Bowes effective May 1, 2011 pursuant to which he provides his services as Chief Executive Officer to the Corporation. Pursuant to the terms of the agreement, Mr. Bowes earns a minimum base salary of \$250,000 which has been voluntarily reduced from time to time in order to preserve the Corporation's financial resources. Most recently, Mr. Bowes' salary was voluntarily reduced to \$180,000 effective January 1, 2019. Effective July 1, 2020, Mr. Bowes agreed to defer current payment of two-thirds of his salary until market conditions improve. During the year ended December 31, 2021, the Corporation's CEO's salary was reinstated to \$250,000 and was no longer deferred as market conditions improved.

Mr. Bowes' base salary is subject to annual review by the Board of Directors. The Corporation may terminate the agreement for cause at any time with no further obligation to Mr. Bowes. The Corporation may terminate the agreement without cause at any time by providing a lump sum payment equal to one month of salary for each year of service from May 1, 2011, such lump sum not to be less than 18 months and not greater than 24 months of Mr. Bowes' salary of \$250,000 (the salary in place before voluntary reductions were made). Mr. Bowes may terminate the agreement at any time upon providing two months' notice, subject to certain terms. If Mr. Bowes is terminated by the Corporation within 60 days before, or within 180 days after, a change in control of the Corporation, or Mr. Bowes' duties are changed and are no longer reflective of his status and qualifications prior to the change in control, or Mr. Bowes is asked to relocate as the result of a change in control, then he is entitled to receive a lump sum payment equal to two times his annual salary of \$250,000 before the voluntary reductions. If the agreement is terminated by the Corporation without cause, the estimated minimum payment would be \$375,000, payable in one lump-sum payment. If the agreement is terminated after a change of control, the estimated payment would be \$500,000. In addition, all of the stock options granted to Mr. Bowes under any stock option plan of the Corporation shall become immediately exercisable and vested and shall remain exercisable for a period of one year from the date of termination of Mr. Bowes if there is a change of control. The agreement includes typical non-disclosure covenants in favour of the Corporation. Subsequent to year end, on June 8, 2022, Mr. Bowes ceased to be Chief Executive Officer of the Corporation and became the Executive Chair of the Corporation, and Hugues Jacquemin was appointed as Chief Executive Officer of the Corporation.

Effective January 11, 2018, the Corporation entered into a consulting agreement with 6905498 Canada Inc., an external management company of which Mr. McNeice is a principal, for the services of Mr. John McNeice as Chief Financial Officer and Corporate Secretary of the Corporation. Compensation payable under the consulting agreement is at an hourly rate of \$135.00. The Corporation may terminate the agreement for cause at any time with no further obligation to Mr. McNeice. The Corporation may terminate the agreement without cause at any time by providing 90 days notice. If the effective date of such termination is less than 90 days following the date of giving of such notice, Mr. McNeice shall receive a cash payment for the balance of the 90 day period based on his average daily compensation for the 6 month period preceding the effective date of termination. In the event of a change of control where the consulting agreement is terminated by the Corporation within 60 days before or within 180 days after a change of control of the Corporation, or Mr. McNeice's duties are changed and are no longer reflective of his status and qualifications prior to the change of control, or Mr. McNeice is asked to relocate as the result of a change of control, then Mr. McNeice shall be entitled to receive a lump sum payment equal to 12 months compensation at the time of termination. For the purpose of this section, a month's compensation will be considered to be the average monthly compensation of the 6 months preceding the effective date of termination. All of the stock options granted to Mr. McNeice under any stock option plan of the Corporation shall become immediately exercisable and vested and shall remain exercisable for a period of one year from the date of termination of the consultant if there is a change of control.

Director Compensation

The following table sets forth information concerning compensation earned for services rendered by the Directors for the year ended December 31, 2021, the most recently completed financial year, excluding Gregory Bowes who is a NEO.

| Summary Compensation Table | | | | | | | | |
|--|------|-------------|--------------------|------------------------------------|--|---------------|------------------------|--------------------|
| Name | Year | Fees Earned | Share-Based Awards | Option-Based Awards ⁽¹⁾ | Non-Equity Incentive Plan Compensation | Pension Value | All Other Compensation | Total Compensation |
| W. Campbell Birge ⁽²⁾⁽⁴⁾⁽⁵⁾ | 2021 | \$15,000 | Nil | \$26,379 | Nil | Nil | Nil | \$41,379 |
| Donald Christie ⁽²⁾⁽³⁾⁽⁵⁾ | 2021 | \$15,000 | Nil | \$92,325 | Nil | Nil | Nil | \$107,325 |
| K. Sethu Raman ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ | 2021 | \$15,000 | Nil | \$92,325 | Nil | Nil | Nil | \$107,325 |
| Iain Scarr ⁽³⁾⁽⁴⁾⁽⁵⁾ | 2021 | \$15,000 | Nil | \$92,325 | Nil | Nil | Nil | \$107,325 |

Notes:

- (1) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in Note 8 to the Corporation's financial statements for the year ended December 31, 2021.
- (2) Member of Audit Committee.
- (3) Member of Compensation and Nomination Committee.
- (4) Member of Corporate Governance Committee.
- (5) On April 16, 2021, Mr. Birge was granted 100,000 stock options and Mr. Christie, Dr. Raman and Mr. Scarr were each granted 350,000 stock options. These stock options have an exercise price of \$0.50 and expire on April 15, 2026.

Narrative Discussion

Directors are paid a quarterly retainer for their service as directors. The Corporation also reimburses directors for out-of-pocket expenses related to their attendance at meetings.

Directors Share-Based Awards and Option-Based Awards

The following table sets forth the details regarding the incentive plan awards for each non-executive director of the Corporation outstanding as of December 31, 2021.

| Name | Option-Based Awards | | | | Share-Based Awards | |
|-------------------|---|--------------------------------------|--|---|--|--|
| | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised in-the-Money Options (\$) ⁽¹⁾ | Number of Shares or Units of Shares That Have Not Vested (#) | Market or Payout Value of Share-Based Awards That Have Not Vested (\$) |
| W. Campbell Birge | 200,000 150,000 200,000 100,000 | \$0.20 \$0.25 \$0.50 \$0.50 | July 23, 2025 January 21, 2024 November 27, 2022 April 15, 2026 | \$126,000 \$87,000 \$66,000 \$33,000 | N/A | N/A |
| Donald Christie | 200,000 100,000 350,000 | \$0.20 \$0.50 \$0.50 | July 23, 2025 January 12, 2023 April 15, 2026 | \$126,000 \$33,000 \$115,500 | N/A | N/A |
| K. Sethu Raman | 200,000 100,000 350,000 | \$0.20 \$0.50 \$0.50 | July 23, 2025 January 12, 2023 April 15, 2026 | \$126,000 \$33,000 \$115,500 | N/A | N/A |
| Iain Scarr | 200,000 100,000 350,000 | \$0.20 \$0.50 \$0.50 | July 23, 2025 January 12, 2023 April 15, 2026 | \$126,000 \$33,000 \$115,500 | N/A | N/A |

Notes:

- (1) The market price of the Common Shares on December 31, 2021 was \$0.83

Directors Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each non-executive director of the Corporation for the financial year ended December 31, 2021.

| Name | Option-Based Awards – Value Vested During the Year (\$) | Share-Based Awards – Value Vested During the Year (\$) | Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) |
|-------------------|---|--|--|
| W. Campbell Birge | \$26,379 | Nil | \$15,000 |
| Donald Christie | \$92,325 | Nil | \$15,000 |
| K. Sethu Raman | \$92,325 | Nil | \$15,000 |
| Iain Scarr | \$92,325 | Nil | \$15,000 |

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth as of December 31, 2021, the number of Common Shares to be issued upon exercise of outstanding options, the weighted-average exercise price of such outstanding options and the number of securities remaining available for future issuance under all equity compensation plans previously approved by the Corporation’s Shareholders and all equity plans not approved by the Corporation’s Shareholders.

Equity Compensation Plan Information

| Plan Category | Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) ⁽¹⁾ |
|---|--|---|---|
| Equity compensation plans approved by securityholders | 5,800,000 | \$0.41 | 2,337,142 |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | 5,800,000 | \$0.41 | 2,337,142 |

Notes:

- (1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the outstanding Common Shares at the time of any stock option grant. As at December 31, 2021, a total of 8,137,142 stock options were potentially issuable under the Stock Option Plan.
- (2) See “*Statement of Executive Compensation – Option-Based Awards – Summary of the Stock Option Plan*” for a description of the material features of the Stock Option Plan.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular to be sent to the shareholders of a venture issuer in connection with the solicitation by management for the purpose of electing directors to its board of directors.

Audit Committee Charter

The Audit Committee of the Board of Directors operates under a written charter that sets out its responsibilities and composition requirements. A copy of the Audit Committee’s charter is attached as Schedule “A” to this Circular.

Composition of Audit Committee

The members of the Audit Committee of the Corporation are Donald Christie CPA, W. Campbell Birge and K. Sethu Raman. Mr. Christie serves as Chairman of the Audit Committee. The Audit Committee has been structured to comply with NI 52-110. Each member of the Audit Committee is independent within the meaning of NI 52-110. In addition, each member of the Audit Committee is financially literate within the meaning of NI 52-110. In considering criteria for the determination of financial literacy, the Board of Directors looks at the ability to read and understand financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to those issues that can be reasonably expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

Each member of the Corporation's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, education and experience that have provided the member with: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves; (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising individuals engaged in such activities; and (c) an understanding of internal controls and procedures for financial reporting.

In particular: (i) Mr. Christie is a Chartered Professional Accountant with many years of experience with financial reporting and public companies, and he is currently Chief Financial Officer and a director of Nevada Zinc Corporation; (ii) Mr. Birge has over 20 years of experience advising public and private companies specializing in the resource, real estate and cannabis industries in Canada, the United States and Mexico. He also has over 20 years of experience in public and private education, including five years as Adjunct Professor of Business and twice elected Head of the Graduate Business Department at United States International University, Mexico City campus; and, (iii) Dr. Raman is an entrepreneur with more than 46 years of international experience in all phases of exploration, mine development, acquisitions and operations as well as experience in related financial and legal areas. In these capacities, they have become familiar with and had experience preparing, analyzing or evaluating financial statements and reporting requirements for public companies or actively supervising individuals engaged in such activities, and have developed an understanding of the accounting principles used by the Corporation to prepare its financial statements and an understanding of internal controls and procedures for financial reporting

Audit Committee Oversight

During the fiscal year ended December 31, 2021, all recommendations of the Audit Committee to nominate or compensate the Corporation's external auditor were adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for reviewing and pre-approving all non-audit services to be provided to the Corporation by its external auditor. However, the Audit Committee has not yet adopted any specific policies or procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table summarizes the fees billed by the Corporation's auditors MNP LLP, Chartered Professional Accountants, in each of the last two financial years of the Corporation.

| Category | Year ended December 31, 2021 (\$) | Year ended December 31, 2020 (\$) |
|-------------------------|--|--|
| Audit Fees | 45,000 | 30,300 |
| Audit Related Fees | Nil | Nil |
| Tax Fees ⁽¹⁾ | 2,250 | 2,250 |
| All Other Fees | Nil | Nil |

Note:

(1) The Corporation's auditors also prepare the Corporation's corporate tax returns.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires the Corporation to disclose annually its corporate governance practices.

The Board of Directors is committed to a high standard of corporate governance practices. The Board of Directors believes that this commitment is not only in the best interest of the Corporation's Shareholders but that it also promotes effective decision making at the Board of Directors level.

Board of Directors

During 2021, the Board of Directors of the Corporation was comprised of five members. Four of these directors, Messrs. Birge, Christie, Raman and Scarr are independent. Gregory Bowes is Chief Executive Officer of the Corporation and, therefore, is not independent. A majority of the Corporation's current directors are independent.

The Board of Directors has responsibility for the stewardship of the Corporation. In carrying out this mandate, the Board of Directors meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, risk management as well as interim and annual financial and operating results. The Board of Directors is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as the Corporation's debt and borrowing policies. The Board of Directors strives to ensure that actions taken by management correspond closely with the objectives of the Board of Directors and the Corporation's Shareholders.

The following directors of the Corporation currently serve on the boards of other reporting issuers (or the equivalent) as listed below:

| Name | Name of Reporting Issuer | Exchange |
|--------------------|---------------------------------|-----------------|
| W. Campbell Birge | Mojave Brands Inc. | CSE |
| Donald H. Christie | Nevada Zinc Corporation | TSX-V |

Board Mandate

The written mandate of the Board of Directors is attached as Schedule "B" to this Circular.

Position Descriptions

The Board of Directors has not developed written position descriptions for the chair of each committee of the Board of Directors. In addition, while the Chief Executive Officer reports to the Board of Directors, the Board of Directors and its Chief Executive Officer have not developed a written position description for the Chief Executive Officer. The Board of Directors and the Chief Executive Officer will consider the development of written position descriptions as the Corporation further develops, taking into consideration the size of the Corporation and its Board of Directors, the stage of the Corporation's development and its ability to enable the Board of Directors and its committees to operate in an

efficient and flexible manner. In the meantime, the Board of Directors expects the Chairman of the Board of Directors to provide leadership and to manage the Board of Directors and ensure that it carries out its duties and responsibilities in accordance with its mandate. Similarly, the Board of Directors expects the chairman of each committee to provide leadership and to manage the committee and ensure that the committee carries out its duties and responsibilities according to its mandate.

Orientation and Continuing Education

The Corporation does not have a formal orientation and education program for new directors. The Corporation has not held a formal orientation for the members of its Board of Directors, several members of the Board of Directors have been directors of the Corporation since the Corporation completed its initial public offering in 2011 and have been made aware of the Corporation and its operations, activities and plans since that time. The Corporation attempts to make directors aware of developments in disclosure, governance and reporting guidelines and regulations from time to time, and directors are also encouraged to keep informed of new developments individually. Members of the Board of Directors are also encouraged to communicate with management, auditors and technical consultants as required.

Ethical Business Conduct

The Corporation is committed to conducting its business in accordance with applicable laws, rules and regulations, and in accordance with industry standards of business ethics, and to full and accurate disclosure in compliance with applicable securities laws. In furtherance of the foregoing, the Corporation has adopted a written Code of Business Conduct and Ethics (the “Code”), which applies to all directors, officers and employees of the Corporation and sets forth specific policies to guide such individuals in the performance of their duties. A copy of the Code can be obtained by contacting the Corporation. The Corporation has also instituted a “whistle blower policy” whereby infractions can be reported to the Corporation’s Corporate Secretary or Audit Committee.

Under applicable corporate laws, any director or executive officer that has a material interest in a transaction or agreement that is being considered by the Corporation is required to declare a conflict of interest and is excluded from voting and from the decision making process with respect to that issue.

Nomination of Directors and Compensation

The Corporation’s Compensation and Nomination Committee is comprised of Sethu Raman, Donald Christie and Iain Scarr. Each member of the Compensation and Nomination Committee is independent within the meaning of NP 58-201.

The Compensation and Nomination Committee oversees the remuneration, nomination and appointment policies and practices of the Corporation. The principal responsibilities of the Compensation and Nomination Committee include: (a) considering the Corporation’s overall remuneration strategy and, where information is available, verifying the appropriateness of existing remuneration levels using external sources for comparison; (b) comparing the nature and amount of the Corporation’s directors’ and executive officers’ compensation to performance against goals set for the year, while considering relevant comparative information, independent expert advice and the financial position of the Corporation; (c) making recommendations to the Board of Directors in respect of director and executive officer remuneration matters with the overall objective of ensuring maximum Shareholder benefit from the retention of high quality board and executive team members; (d) considering nominees for independent directors of the Corporation; and (e) planning for the succession of directors and executive officers of the Corporation, including appointing, training and monitoring senior management to ensure that the Board of Directors and management have appropriate skill and experience.

No compensation consultant or advisor has been retained by the Corporation to date.

Other Board Committees

The Corporation has no current or proposed standing committees other than the Audit Committee, Compensation and Nomination Committee and Corporate Governance Committee.

Assessments

The Board of Directors has not conducted any assessment of the Board of Directors, its committees or individual directors. The Corporation will consider conducting such assessments as and when appropriate. The Corporation has a relatively small Board of Directors that provides the opportunity for all directors to actively interact and to become familiar with one another. It is expected that any issues with respect to effectiveness and contribution would readily become apparent in this environment.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation and no associate of any such director, executive officer or proposed nominee for director is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation including indebtedness that would be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, no informed person (as such term is defined in NI 51-102) of the Corporation, nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director has or had any material interest, direct or indirect, in any transaction since the beginning of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting of Shareholders other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative audited financial statements and management's discussion and analysis for the year ended December 31, 2021. Copies of the Corporation's financial statements and management's discussion and analysis may be obtained under the Corporation's profile on SEDAR at www.sedar.com or upon written request to the Corporate Secretary at P.O. Box 279, Manotick, Ontario K4M 1A3.

DIRECTORS' APPROVAL

The contents of this Circular and the sending of it to each director of the Corporation, to the auditors of the Corporation and to the Shareholders of the Corporation entitled to notice of the Meeting, have been approved by the directors of the Corporation.

DATED as of the 4th day of October, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

“Gregory B. Bowes”
Gregory B. Bowes
Executive Chair

SCHEDULE “A”

NORTHERN GRAPHITE CORPORATION

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. Purpose

The Audit Committee is a committee of the Board of Directors which assists the Board in overseeing the Corporation’s financial controls and reporting and in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. The Audit Committee’s primary duties and responsibilities are to:

- Oversee: (i) the integrity of the Corporation’s financial statements; (ii) the Corporation’s compliance with legal and regulatory requirements with respect to financial controls and reporting; and (iii) the auditors’ qualifications and independence.
- Serve as an independent and objective party to monitor the Corporation’s financial reporting processes and internal control systems.
- Review and appraise the audit activities of the Corporation’s independent auditors.
- Provide open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial reporting and control matters.

II. Composition

Members of the Audit Committee are appointed and removed by the Board of Directors. The Board shall designate annually the members of the Committee and a Chairman of the Committee. The Committee will be comprised of at least three directors, each of whom qualifies as an independent director, as determined by the Board¹. All members should have skills and/or experience which are relevant to the mandate of the Committee, as determined by the Board. All members of the Committee shall be financially literate at the time of their election to the Committee. “Financial literacy” shall be determined by the Board of Directors in the exercise of its business judgment, and shall include a working familiarity with basic finance and accounting practices and an ability to read and understand financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements. Committee members, if they or the Board of Directors deem it appropriate, may enhance their understanding of finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant or firm.

III. Responsibilities

The responsibilities of the Audit Committee shall generally include, but not be restricted to, undertaking the following:

Selection and Evaluation of Auditors

- (a) Recommending to the Board of Directors the external auditors (subject to shareholder approval) to be engaged to prepare or issue an auditor’s report or performing other audit, review or attest services for the Corporation and the compensation of such external auditors.
- (b) Overseeing the independence of the Corporation’s auditors and taking such actions as it may deem necessary to satisfy it that the Corporation’s auditors are independent within the meaning of applicable securities laws by, among other things: (i) requiring the independent auditors to deliver to the Committee on a periodic basis a formal written statement delineating all relationships between

¹ Determined in accordance with National Instrument 52-110 – *Audit Committees*.

the independent auditors and the Corporation; and (ii) actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and taking appropriate action to satisfy itself of the auditors' independence.

- (c) Instructing the Corporation's independent auditors that: (i) they are ultimately accountable to the Committee (as representatives of the shareholders of the Corporation); (ii) they must report directly to the Committee; and (iii) the Committee is responsible for the appointment (subject to shareholder approval), compensation, retention, evaluation and oversight of the Corporation's independent auditors.
- (d) Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditors, on a regular basis, as required.
- (e) Reviewing and pre-approving all audit and permitted non-audit services or mandates to be provided by the independent auditors to the Corporation or any of its subsidiaries, including tax services, and the proposed basis and amount of the external auditors' fees for such services, and determining which non-audit services the auditors are prohibited from providing (and adopting specific policies and procedures related thereto).
- (f) Reviewing the performance of the Corporation's independent auditors and replacing or terminating the independent auditors (subject to required shareholder approvals) when circumstances warrant.

Oversight of Annual Audit

- (a) Reviewing and accepting, if appropriate, the annual audit plan of the Corporation's independent auditors, including the scope, extent and schedule of audit activities, and monitoring such plan's progress and results during the year.
- (b) Confirming through private discussions with the Corporation's independent auditors and the Corporation's management that no management restrictions are being placed on the scope of the independent auditors' work.
- (c) Reviewing with the external auditors any audit problems or difficulties and management's response thereto and resolving any disagreement between management and the external auditors regarding accounting and financial reporting.
- (d) Reviewing with management and the external auditors the results of the year-end audit of the Corporation, including: (i) the annual financial statements and the audit report, the related management representation letter, the related "Memorandum Regarding Accounting Procedures and Internal Control" or similar memorandum prepared by the Corporation's independent auditors, any other pertinent reports and management's responses concerning such memorandum; and (ii) the qualitative judgments of the independent auditors about the appropriateness and not just the acceptability of accounting principles and financial disclosure practices used or proposed to be adopted by the Corporation including any alternative treatments of financial information that have been discussed with management, the ramification of their use and the independent auditor's preferred treatment as well as any other material communications with management and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates.

Oversight of Financial Reporting Process and Internal Controls

- (a) Reviewing with management and the external auditors the annual financial statements and accompanying notes, the external auditors' report thereon and the related press release, and obtaining explanations from management on all significant variances with comparative periods, before recommending approval by the Board and the release thereof.

- (b) Reviewing with management the quarterly financial statements and any auditors' review thereof before recommending approval by the Board and the release thereof.
- (c) Reviewing and periodically assessing the adequacy of the Corporation's procedures for the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, including reviewing the financial information contained in the annual information form, management proxy circular, management's discussion and analysis, prospectuses and other documents containing similar financial information before their public disclosure or filing with regulatory authorities, including the audit committee's report for inclusion in the Corporation's management information circular in accordance with applicable rules and regulations.
- (d) Periodically reviewing the Corporation's disclosure policy to ensure that it conforms with applicable legal and regulatory requirements.
- (e) Reviewing the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures through inquiry and discussions with the Corporation's independent auditors and management of the Corporation.
- (f) Monitoring the quality and integrity of the Corporation's disclosure controls and procedures and management information systems through discussions with management and the external auditors.
- (g) Overseeing management's reporting on internal controls and disclosure controls and procedures.
- (h) Reviewing on a regular basis and monitoring the Corporation's policies and guidelines which govern the Corporation's risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including hedging policies through the use of financial derivatives.
- (i) Establishing and maintaining free and open means of communication between and among the Board of Directors, the Committee, the Corporation's independent auditors and management.

Other Matters

- (a) Assisting the Board with oversight of the Corporation's compliance with applicable legal and regulatory requirements, including meeting with general counsel and outside counsel when appropriate to review legal and regulatory matters, including any matters that may have a material impact on the financial statements of the Corporation.
- (b) Reviewing and approving any transactions between the Corporation and members of management and/or the Board as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Corporation's independent auditors.
- (c) Conducting or authorizing investigations into any matters within the Committee's scope of responsibilities, including retaining outside counsel or other consultants or experts as the Committee determines necessary to carry out its duties and to set and pay the compensation for these advisors.
- (d) Establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (e) Establishing procedures for the review and approval of financial and related information of the Corporation.

- (f) Reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (g) Performing such additional activities, and considering such other matters, within the scope of its responsibilities, as the Committee or the Board of Directors deems necessary or appropriate.

IV. Meetings and Advisors

The Committee will meet as often as it deems necessary or appropriate to perform its duties and carry out its responsibilities described above in a timely manner, but not less than quarterly. The quorum at any meeting of the Committee shall be a majority of its members. All such meetings shall be held pursuant to the By-Laws of the Corporation with regard to notice and waiver thereof.

The Audit Committee shall meet on a regular basis without management or the external auditors. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. As part of its purpose to foster open communications, the Committee shall meet at least annually, and more frequently as required, with management and the Corporation's independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups or persons believe should be discussed privately. The independent auditors will have direct access to the Committee at their own initiative. The Chairman should work with the Chief Financial Officer and management to establish the agenda for Committee meetings.

Written minutes of each meeting of the Committee shall be filed in the Corporation's records. The Chairman of the Committee will report periodically to the Board of Directors.

The Committee shall, in appropriate circumstances and subject to advising the Chairman of the Board, have the authority to engage and obtain advice and assistance from advisors, including independent or outside legal counsel and accountants, as it determines is necessary or appropriate to carry out its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of any compensation (i) to any independent auditors engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation, and (ii) to any independent advisors employed by the Committee.

V. Disclosure of Charter

This charter shall be published in the Corporation's annual information form or information circular as required by applicable securities laws.

While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Corporation complies with all laws and regulations.

Nothing contained in this charter is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee.

SCHEDULE “B”

MANDATE OF THE BOARD OF DIRECTORS

NORTHERN GRAPHITE CORPORATION (the “Corporation”)

I. General

The Board of Directors of the Corporation is responsible for the supervision of the management of the Corporation’s business and affairs, with the objective of increasing shareholder value.

The Board shall be constituted with a majority of “independent” directors, as that term is defined in applicable securities legislation and stock exchange rules. The Board’s independent directors will meet periodically without management and non-independent directors.

Directors are expected to attend all Board meetings and review all meeting materials in advance. They are expected to take an active part in Board decisions.

II. Composition

The Board shall be composed of a minimum of three members and such maximum number of directors as may be determined by the Board from time to time in accordance with the Corporation’s Articles and applicable laws. The Board shall be constituted with a majority of individuals who qualify as independent directors, as determined by the Board in accordance with applicable laws.

III. Responsibilities

The responsibilities of the Board of Directors shall generally include, but not be restricted to, undertaking the following:

With respect to strategic planning

- (a) Adopting a strategic planning process for the Corporation and approving the Corporation’s long-term strategy, taking into account, amongst other matters, business opportunities and risks.
- (b) Approving and monitoring the implementation of the Corporation’s annual business plan.
- (c) Advising management on strategic issues.

With respect to human resources and performance assessment

- (a) Choosing the Chief Executive Officer (“CEO”) and approving the appointment of other senior management executives.
- (b) Monitoring and assessing the performance of the CEO and of senior management and approving their compensation, taking into consideration the recommendations of the Compensation Committee and Board expectations and fixed goals and objectives.
- (c) Monitoring management and Board succession planning processes.
- (d) Monitoring the size and composition of the Board and its committees based on competencies, skills and personal qualities sought in Board members.
- (e) Approving the list of Board nominees for election by shareholders.

With respect to financial matters and internal control

- (a) Monitoring the integrity and quality of the Corporation's financial statements and the appropriateness of their disclosure.
- (b) Reviewing the general content of, and the Audit Committee's report on the financial aspects of, the Corporation's annual information form, management information circular, management's discussion and analysis, prospectuses and any other documents required to be disclosed or filed by the corporation before their public disclosure or filing with regulatory authorities.
- (c) Approving operating and capital budgets, the issuance of securities and, subject to the schedule of authority adopted by the Board, any transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major transactions such as investments or divestitures.
- (d) Determining dividend policies and procedures.
- (e) Taking all reasonable measures to ensure that appropriate systems are in place to identify business risks and opportunities and overseeing the implementation of processes to manage these risks and opportunities.
- (f) Monitoring the Corporation's internal control and management information systems and regulatory certification practices.
- (g) Monitoring the Corporation's compliance with applicable legal and regulatory requirements.
- (h) Reviewing at least annually the Corporation's disclosure policy and monitoring the operation of the disclosure policy.

With respect to corporate governance matters

- (a) Developing the Corporation's approach to corporate governance and reviewing, on a regular basis, appropriate corporate governance structures and procedures, including the identification of decisions requiring approval of the Board and, where appropriate, measures for receiving stakeholder feedback, and the adequate public disclosure thereof.
- (b) Taking all reasonable measures to satisfy itself as to the integrity of management and that management creates a culture of integrity throughout the Corporation.
- (c) Adopting and reviewing, on a regular basis, the Corporation's Code of Ethics and monitoring compliance with such code.
- (d) Taking all reasonable measures to ensure the annual performance assessment of the Board, Board committees, Board and committee chairs and individual directors.
- (e) Adopting orientation and continuing education programs for directors.

IV. Method of Operation

Meetings of the Board shall be held at least quarterly and as required. In addition, a special meeting of the Board shall be held, at least annually, to review the Corporation's strategic plan. The quorum at any meeting of the Board shall be a majority of directors in office. All such meetings shall be held pursuant to the By-Laws of the Corporation with regard to notice and waiver thereof.

The Board chair shall develop the agenda for each meeting of the Board, in consultation with the CEO in the event those two positions are held by separate individuals, or the lead independent director if such a position is held by an independent director. The agenda and the appropriate material shall be provided to directors of the Corporation on a timely basis prior to any meeting of the Board.

Independent directors shall meet periodically without management and other non-independent directors present.

The Board may delegate to a committee of the Board any of the Board's responsibilities and powers as it deems appropriate and in accordance with applicable laws and the Corporation's Articles and By-Laws.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation.

SCHEDULE "C"

NORTHERN GRAPHITE CORPORATION

AMENDED AND RESTATED

STOCK OPTION PLAN

~~JULY 24, 2013~~

October 4, 2022

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NORTHERN GRAPHITE CORPORATION

AMENDED AND RESTATED STOCK OPTION PLAN

The Board of Directors of Northern Graphite Corporation has authorized the establishment of this Amended and Restated Stock Option Plan, subject to the approval of the Corporation's shareholders and the TSXV (as defined below). This Amended and Restated Stock Option Plan amends and restates and supersedes and replaces in full effective October 4, 2022 the existing stock option plan of the Corporation (as defined below) adopted by the Board (as defined below) on April 18, 2011, initially approved by the Corporation's shareholders on August 17, 2011 and amended and restated effective July 24, 2013.

This Amended and Restated Stock Option Plan is in addition to the Deferred Share Unit and Restricted Share Unit Compensation Plan proposed to be established by the Corporation subject to the approval of the Corporation's disinterested shareholders and the TSXV (the "DSU/RSU Plan").

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

- (a) "Administrator" means, initially, the Secretary of the Corporation and thereafter shall mean such director or other senior officer or employee of the Corporation as may be designated as Administrator by the Board from time to time.
- (b) "Award Date" means the date on which the Board awards a particular Option.
- (c) "Black-Out Period" means a period of time when there is any restriction formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information on all or any of its Option Holders whereby such Option Holders are prohibited from exercising their Options;
- (d) ~~(e)~~ "Board" means the board of directors of the Corporation, or any committee thereof to which the board of directors of the Corporation has delegated the power to administer and grant Options under the Plan.
- (e) ~~(d)~~ "Cause" means:
 - (i) in the case of an Employee (1) cause as such term is defined in the written employment agreement with the Employee or if there is no written employment agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the employee is employed; or (2) the termination of employment as a result of an order made by any Regulatory Authority having jurisdiction to so order;
 - (ii) in the case of a Consultant (including a Management Company Employee) (1) the occurrence of any event which, under the written consulting contract with the Consultant or the common law or the laws of the jurisdiction in which the consultant provides services, gives the Corporation or any of its subsidiaries or

affiliates the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order;

- (iii) in the case of a Director, ceasing to be a Director as a result of (1) ceasing to be qualified pursuant to subsection 118(1) of the *Ontario Business Corporations Act*; (2) a resolution having been passed under subsection 122(1) of the *Ontario Business Corporations Act* or by the resolution or method specified in the Corporation's Articles; or (3) an order made by any Regulatory Authority having jurisdiction to so order; or
- (iv) in the case of an Officer, ceasing to be an Officer as a result of an order made by any Regulatory Authority having jurisdiction to so order.

(f) ~~(e)~~ "Change of Control" means and shall be deemed to have occurred if one of the following events takes place:

- (i) the sale, transfer or other disposition of all or substantially all of the Corporation's assets in complete liquidation or dissolution of the Corporation;
- (ii) the Corporation amalgamates or enters into a plan of arrangement with another Corporation at arm's length to the Corporation and its affiliates, other than an amalgamation or plan of arrangement that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation or plan of arrangement; or
- (iii) any Person or combination of Persons at arm's length to the Corporation and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Corporation, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect.

(g) ~~(f)~~ "Common Share" or "Common Shares" means, as the case may be, one or more common shares without par value in the capital of the Corporation.

(h) ~~(g)~~ "Corporation" means Northern Graphite Corporation, a corporation ~~continued existing~~ existing under the ~~laws of the province of Ontario~~ Business Corporations Act (Ontario), and its successors from time to time.

(i) ~~(h)~~ "Consultant" means, ~~in relation to the Corporation, an individual or Consultant Corporation, a Person (other than an Employee or a Director of the Corporation, Officer or~~ Employee) that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to ~~the Issuer or to an Affiliate of~~ the Corporation or to any of its Subsidiaries, other than services provided in relation to a ~~Distribution~~ distribution of securities (as defined under Securities Laws);

- (ii) provides the services under a written contract between the Corporation or ~~the Affiliate~~any of its Subsidiaries and the individual or the ~~Consultant~~ Corporation, as the case may be; and
- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or ~~an Affiliate of any of the Corporation~~its Subsidiaries; and
- ~~(iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation and that is a consultant of the Corporation or its subsidiaries.~~
- ~~(i) "Consultant Corporation" means for an individual consultant, a corporation or partnership of which the individual is an employee, shareholder or partner.~~
- (j) "Director" ~~has the meaning given to that term in the~~means a director (as defined under Securities Act (Ontario), and for the purposes of the Plan includes directors~~Laws)~~ of the Corporation ~~and/or~~ any of its ~~subsidiaries~~Subsidiaries.
- (k) "Discounted Market Price" of the Common Shares for a particular Award Date means the Market Price of the Common Shares for a particular Award Date less a discount to be determined by the Board, which in any event shall not exceed the amount set forth under Policy 1.1 of the ~~TSX Venture Corporate Finance Manual, as amended or replaced from time to time~~TSXV.
- (k) "Eligible Persons" means Directors, Officers, Employees, Management Company Employees and Consultants.
- (l) "Employee" ~~has the meaning given to that term in TSX Venture Exchange Policy 4.4, and for the purposes of the Plan includes employees of the Corporation and any of its subsidiaries.~~means an individual who:
- ~~(m) "Exchange Hold Period" has the meaning given to that term in TSX Venture Exchange Policy 1.1.~~
 - (i) is considered an employee of the Corporation or any of its Subsidiaries under applicable tax legislation including the Tax Act and for whom source deductions including income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) works full-time for the Corporation or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or of a Subsidiary of the Corporation, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) works for the Corporation or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by

the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or any of its Subsidiaries;

- (m) ~~(+)~~ “Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder.
- (n) ~~(+)~~ “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date.
- (o) ~~(+)~~ “Exercise Price” means the price at which an Option may be exercised as determined in accordance with paragraph 3.5.
- (p) ~~(+)~~ “Expiry Date” means the date determined in accordance with paragraph 3.4 and after which a particular Option cannot be exercised.
- (q) ~~(+)~~ “Expiry Period” has the meaning given to that term under paragraph 3.4(b).
- (r) ~~(+)~~ “Fixed Expiry Date” has the meaning given to that term under paragraph 3.4.
- (s) ~~(+)~~ “Insider” means an insider ~~has the meaning given to that term in the~~ (as defined under Securities Act (Ontario) Laws) of the Corporation.
- (t) ~~(+)~~ “Investor Relations Activities” has the meaning given to that term in Policy 1.1 of the ~~TSX Venture Exchange~~ TSXV.
- (u) ~~(+)~~ “Market Price” of the Common Shares for a particular Award Date shall be determined as follows:
- (i) for each organized trading facility on which the Common Shares are listed, Market Price shall be the closing trading price of the Common Shares on the last trading day immediately preceding the Award Date;
 - (ii) if the Common Shares are listed on more than one organized trading facility, then Market Price shall be the greater of the Market Prices determined for each organized trading facility on which those Common Shares are listed as determined for each organized trading facility in accordance with section (i) above;
 - (iii) if the Common Shares are listed on one or more organized trading facility but have not traded during the 10 trading day period immediately preceding the Award Date, then the Market Price shall be, subject to the necessary approvals of the applicable Regulatory Authorities, such value as is determined by resolution of the Board; and
 - (iv) if the Common Shares are not listed on any organized trading facility, then the Market Price shall be, subject to the necessary approvals of the applicable Regulatory Authorities, the fair market value of the Common Shares on the Award Date as determined by the Board in its discretion.
- (v) ~~(+)~~ “Management ~~Corporation~~ Company Employee” means an individual employed by a Person other than an individual providing management services to the Corporation ~~or its~~

subsidiaries, which services are required for the ongoing successful operation of the business enterprise of the Corporation, ~~but excluding a Person engaged in investor relations activities.~~

(w) ~~(x)~~ “Officer” means an officer (as such term is defined ~~in the~~ under Securities Act ~~(Ontario)~~ ~~or Management Corporation Employee, and for the purposes of the Plan includes officers and Management~~ Laws) of the Corporation ~~Employees of the Corporation and~~ or any of its ~~subsidiaries~~ Subsidiaries.

(x) ~~(y)~~ “Option” means an option to acquire Common Shares, awarded to an Eligible Person pursuant to the Plan.

(y) ~~(z)~~ “Option Certificate” means the certificate, in the form set out as Schedule “A” hereto, evidencing an Option.

(z) ~~(aa)~~ “Option Holder” means a ~~person (or, where applicable, a Consultant Corporation)~~ Person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.

~~(bb) “Other Share Compensation Arrangement” means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise.~~

(aa) ~~(ee)~~ “Person” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, Corporation or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency or entity however designated or constituted.

(bb) ~~(dd)~~ “Personal Representative” means:

- (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
- (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.

(cc) ~~(ee)~~ “Plan” means this amended and restated stock option plan.

(dd) ~~(ff)~~ “Regulatory Authorities” means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the ~~Corporation’s~~ Common Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation and includes, for greater certainty, the TSXV for so long as the Common Shares are listed on the TSXV.

(ee) ~~(gg)~~ “Securities Laws” means securities legislation, securities regulations and securities rules, as amended, and the instruments, forms, notices and policy documents in force from time to time that are applicable to the Corporation.

(ff) ~~“Share” or “Shares~~ Based Compensation Arrangement” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan (including the proposed DSU/RSU Plan if and when effective) where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation’s treasury.

(gg) “Subsidiary” means any entity that is a “subsidiary” as defined under Securities Laws.

(hh) ~~“Tax Act” means, as the case may be, one or more shares of any class in the share capital of the Corporation~~ the Income Tax Act (Canada) and its regulations thereunder, as amended from time to time.

(ii) “Termination Date” means:

- (i) in the case of the Option Holder’s resignation from employment or the termination of the Option Holder’s consulting contract by the Option Holder, the date that the Option Holder provides notice of such resignation or termination to the Corporation or any of its subsidiaries or affiliates; or
- (ii) in the case of the termination of the Option Holder’s employment or consulting contract by the Corporation or any of its subsidiaries or affiliates for any reason (whether such termination is lawful or unlawful) other than death, the date that the Corporation or any of its subsidiaries or affiliates delivers written notice of such lawful or unlawful termination of the Option Holder’s employment or consulting contract to the Option Holder; or
- (iii) in the case of the expiry of a fixed-term employment agreement or consulting contract that is not renewed or extended, the last day of the term.

(ij) “TSXV” means the TSX Venture Exchange.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of Ontario.

1.3 Headings

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

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees, Management Company Employees and Consultants~~and Employees~~, to reward such of those ~~Directors, Officers, Consultants and Employees~~ Eligible Persons as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Corporation and to enable and encourage such ~~Directors, Officers, Consultants and Employees~~ Eligible Persons to acquire Common Shares as long term investments.

2.2 Participation

The Board shall, from time to time and in its sole discretion, determine which of the Eligible Persons, if any, shall be awarded Options. ~~The Board shall only award an Option to a bona fide Consultant, Employee or Management Corporation Employee, and the Corporation shall make such a representation if required by the Regulatory Authorities. The Board may, in its sole discretion, grant the majority of the Options to insiders of the Corporation.~~ However, in no case shall:

- (a) the maximum aggregate number of Common Shares issuable pursuant to Options awarded in a one year period that may be issued to any one ~~Consultant~~ Person under the Plan, together with all of the Corporation's other Share Based Compensation Arrangements, within any 12-month period, may not exceed 25% of the issued outstanding Shares of the Corporation ~~(calculated at on the date of grant of any Option, unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the time policies of award the TSXV))~~;
- (b) the maximum aggregate number of Common Shares issuable pursuant to Options awarded in a one year that may be issued to insiders (as a group) under the Plan, together with all of the Corporation's other Share Based Compensation Arrangements, within any 12-month period to any one individual, may not exceed 510% of the outstanding issued Shares of the Corporation ~~(calculated at on the time of award) date of grant of any Option, unless disinterested shareholder approval has been is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV))~~;
- (c) the maximum aggregate number of Common Shares issuable pursuant to Options that may be issued to insiders (as a group) under the Plan, together with all of the Corporation's other Share Based Compensation Arrangements, may not exceed 10% of the issued Shares at any time, unless the Corporation has obtained disinterested shareholder approval in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV).
- (d) ~~(e)~~ the maximum aggregate number of Common Shares issuable pursuant to Options awarded in a one year that may be issued to any one Consultant under the Plan, together with all of the Corporation's other Share Based Compensation Arrangements, within any 12-month period, may not exceed 2% of the issued Shares calculated on the date of grant of any Option; and

(e) the maximum aggregate number of Common Shares issuable pursuant to Options that may be issued to Persons employed or contracted to provide investor relations services, Investor Relations Activities (as a group), within any 12-month period, may not exceed 2% of the issued Shares of the Corporation (calculated at the time of award); on the date of grant of any Option.

~~(d) the aggregate number of Options awarded to insiders under the Plan and any previously established and outstanding stock option plans or grants in a one-year period exceed 10% of the issued Shares of the Corporation (calculated at the time of award), unless disinterested shareholder approval has been obtained; or~~

~~(e) the aggregate number of Common Shares reserved for issuance to insiders upon the exercise of Options awarded under the Plan and any previously established and outstanding stock option plans or grants, exceed 10% of the issued Shares of the Corporation (calculated at the time of award), unless disinterested shareholder approval has been obtained~~

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Person's relationship or employment with the Corporation. In addition, in the case of Employees, Management Company Employees and Consultants, the Corporation and the Eligible Person must ensure and confirm that each such Employee, Management Company Employee or Consultant, as the case may be, is a bona fide Employee, Management Company Employee or Consultant, and the Option Certificate to which each such Employee, Management Company Employee or Consultant is a party shall contain a representation of the Corporation and the Eligible Participant to such effect.

2.3 Notification of Award

Following the award of an Option by the Board, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director or Officer the right to serve or continue to serve as a Director or Officer of the Corporation or any of its affiliates nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed with or have a consulting contract with the Corporation or any of its affiliates.

~~2.6 Consultant Corporations~~

~~If a Consultant Corporation is an Option Holder, it must provide the TSX Venture Exchange with a completed Form 4F—Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option. The Consultant Corporation must agree not to effect or permit any transfer of ownership or option of shares of the Consultant Corporation nor to issue further shares of any~~

~~class in the Consultant Corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the TSX Venture Exchange.~~

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Issue Common Shares

The Common Shares to be issued to Option Holders upon the exercise of Options shall be authorized and unissued Common Shares the issuance of which shall have been authorized by the Board.

3.2 Number of Common Shares

The aggregate number of Common Shares ~~that may be~~ reserved for issuance pursuant to Options under this Plan shall not exceed 10% of the issued and outstanding Common Shares ~~at~~ on the time particular date of ~~the granting grant~~ of anany Option, ~~less the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement.~~ This number shall include any Common Shares which may be issued upon the exercise of any stock options outstanding as of the date of the Plan granted either individually or pursuant to predecessor stock option plans of the Corporation, which, by implementation of this Plan are deemed to be included as Options under this Plan as if such Options had been granted under this Plan. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the option was not exercised shall be available for the purposes of the Plan.

3.3 Term of Option

Subject to such other terms or conditions that may be attached to an Option granted hereunder, an Option Holder may exercise any vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period, but in any event, no later than the tenth anniversary from the Award Date. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. ~~local time in Toronto, Ontario~~ Eastern Time on the Expiry Date.

3.4 Termination

Subject to subparagraphs (a) to (e) below, the Expiry Date of an Option shall be the date fixed by the Board at the time the particular Option is awarded (the "Fixed Expiry Date"), provided that the Expiry Date shall be no later than the tenth anniversary of the Award Date of such Option:

(a) Death

If the Option Holder dies while his or her Option is outstanding, then unless otherwise provided for in the Option Certificate, the following shall apply. The Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and the date that is ~~six months~~ one year after the date of the Option Holder's death. The Expiry Date for any unvested portion of the Option shall be the date of the Option Holder's death. The right to purchase Common Shares under an Option shall not vest after the date of the Option Holder's death.

(b) Ceasing to be a Director or Officer

If the Option Holder holds an Option as a Director or Officer and the Option Holder ceases to be a Director or Officer (other than by reason of death), then the following shall apply. The Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and the last day of such reasonable period of time up to a period of one year (the "Expiry Period") following the date that the Option Holder ceases to be a Director or Officer that is determined by the Board at the time of the Option award. Notwithstanding the foregoing, if the Option Holder ceases to be a Director or Officer for Cause, the Expiry Date shall be the date that the Option Holder ceases to be a Director or Officer. The Expiry Date for any unvested portion of the Option shall be the date that the Option Holder ceases to be a Director or Officer. The right to purchase Common Shares under an Option shall not vest after the date that the Option Holder ceases to be a Director or Officer.

(c) Ceasing to be an Employee or Consultant

If the Option Holder holds an Option as an Employee or Consultant and the Option Holder ceases to be an Employee or Consultant (other than by reason of death), then the following shall apply. The Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and the last day of the Expiry Period following the Termination Date that is determined by the Board at the time of the Option award. Notwithstanding the foregoing, if the Option Holder ceases to be an Employee or Consultant as a result of Cause, the Expiry Date shall be the Termination Date. The Expiry Date for any unvested portion of the Option shall be the Termination Date. The right to purchase Common Shares under an Option shall not vest after the Termination Date. For greater certainty, if the Corporation gives an Employee or Consultant working notice of termination of employment or the consulting contract or payment in lieu of notice or if the Corporation wrongfully or constructively dismisses the Employee or Consultant, no vesting shall occur during the working notice period or deemed notice period that the Employee or Consultant receives or should have received. The Expiry Period shall commence on the first day of such working notice period or deemed notice period.

(d) Change of Control

In the event of a Change of Control or impending Change of Control, the Board may, subject to any necessary prior written approval of the Regulatory Authorities, in its sole discretion, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Option Holder:

- (i) deliver a notice to the Option Holder advising the Option Holder that the unvested portion of the Option held by the Option Holder, if any, shall immediately vest;
- (ii) deliver a notice to an Option Holder advising the Option Holder that the Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and a date no less than the 10th day following the date of the notice and the Expiry Date for any unvested portion of the Option shall be the date of the notice; or
- (iii) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

(e) Black-out Period

~~Notwithstanding any other provision of this Plan, in the event that~~ an Option expires during a Black-Out Period, then, notwithstanding any other provision of the Plan, the Option ~~expiry date~~ shall ~~expire~~ be automatically extended to the 10th business days after day following the date that such Black-Out Period is lifted ~~by, terminated or removed, unless~~ the Corporation. ~~For the purposes hereof, a "Black-Out Period" means that period during which a trading black-out period is imposed by the Corporation to restrict trades~~ is subject to a cease trade order in respect of the Corporation's securities ~~by an Option Holder and provided that such extension is available to all eligible Option Holders under the Plan under the same terms and conditions.~~

The foregoing subparagraphs (b) through (c) shall only apply once an Option Holder ceases to fall into any of the categories of Eligible Persons. The Board and the Administrator shall look to which of the definitions of ~~Employee~~, Director, Officer, Employee or Consultant the Option Holder met immediately prior to the Option Holder ceasing to be an Eligible Person to determine which of subparagraphs (b) or (c) shall apply. If the Option Holder met more than one definition, then the following shall apply. If the Option Holder was an Employee or Consultant, then the Option Holder shall be deemed to hold his or her Option as an Employee or Consultant regardless of whether the Option Holder was also a Director or Officer.

3.5 Exercise Price

The price at which an Option Holder may purchase a Common Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Discounted Market Price of the Common Shares as of the Award Date. Notwithstanding anything else contained herein, in no case shall the Exercise Price be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

The minimum price at which an Option Holder may purchase a Common Share upon the exercise of an Option shall not be established unless the Option is allocated to a particular Person in accordance with the terms hereof. More specifically, the Corporation shall not grant Options unless and until such Options have been allocated to a particular Person or Persons.

3.6 Additional Terms

Subject to all applicable Securities Laws and the rules and policies of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the award of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, providing that an Option or a portion or portions of an Option expire on a certain date, after certain periods of time or upon the occurrence of certain events other than as provided for herein, provided that no Option shall expire more than ten years after the Award Date.

3.7 Assignment or Transfer of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.8 Adjustments

If:

- (a) the Common Shares are changed into or exchanged for a different number or kind of ~~Shares~~shares of the Corporation or securities of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation;
- (b) a dividend is declared upon the Common Shares, payable in Common Shares (other than in lieu of dividends paid in the ordinary course);
- (c) the Corporation distributes by way of a dividend, or otherwise, to all or substantially all holders of Common Shares, property, evidences of indebtedness or Shares or other securities of the Corporation (other than Common Shares) or rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares or other securities or property of the Corporation, other than as a dividend in the ordinary course; or
- (d) there is any other change that the Board, in its sole discretion, determines equitably requires an adjustment to be made,

~~Then~~then, subject to any required action by the shareholders of the Corporation and any necessary approval of the Regulatory Authorities, including, for greater certainty, the prior approval of the TSXV for any share capital adjustments other than in relation to share consolidations or splits for so long as the Common Shares are listed on the TSXV, any term that the Board determines requires adjustment (including the number of Common Shares subject to each outstanding Option and the number of Common Shares that have been authorized for issuance under the Plan but as to which no Options have yet been granted or that have again become available for the purposes of the Plan, the Exercise Price of each outstanding Option, as well as any other terms that the Board determines require adjustment) shall be adjusted by the Board in the manner the Board deems appropriate and its determination shall be final, binding and conclusive. Except as the Board determines, no issuance by the Corporation of ~~Shares~~shares of any class, or securities convertible into Shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Common Shares subject to an Option. No fractional shares shall be issued upon the exercise of an Option and accordingly, if as a result of the adjustment, an Option Holder would become entitled to a fractional Common Share, such Option Holder shall have the right to purchase only the next lowest whole number of Common Shares and no payment or other adjustment shall be made with respect to the fractional interest so disregarded.

3.9 Vesting

The Board, subject to the policies of the ~~TSX Venture Exchange~~TSXV, may determine and impose terms upon which an Option shall become vested and exercisable. Unless otherwise specified by the Board at the time of the Option award, and subject to such other limits as may be imposed by ~~TSX Venture Exchange~~TSXV policies from time to time, all Options granted under the Plan shall vest and become exercisable in full upon grant.

Notwithstanding the foregoing, Options awarded to ~~Consultants~~any Person performing ~~investor relations activities~~Investor Relations Activities must vest in stages over a minimum of 12 months with no more than one-quarter of the Options so awarded vesting in any three month period.

3.10 Hold Period

Any Common Shares issued by the Corporation upon ~~the~~ exercise of an Option ~~with an exercise price based on the Discounted Market Price shall be subject to a four month TSX Venture Exchange hold period from~~are subject to any resale and trading restrictions in effect pursuant to applicable Securities Laws and the Award Date policies of the Option TSXV, and the Corporation shall be entitled to place any restriction or legend on any certificates representing such Common Shares accordingly. ~~The Any~~ Option Certificate and the share certificate, if applicable, shallwill bear the following legend, if required pursuant to the policies of the TSXV:

“Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate and any securities issued upon exercise hereof, 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 [~~date~~NTD: The date that is four months and one day after the date of the grant of the Option will be inserted].”

~~If and for so long as the Corporation is listed on the TSX Venture Exchange and in addition to any resale restrictions under applicable Securities Laws, any Options granted to an insider of the Corporation will be subject to a four month Exchange Hold Period commencing on the particular Date of Grant of the Option, and the Option Certificate and the share certificate, if applicable, shall bear a restrictive legend setting out any such applicable hold period.~~

Any certificate representing Common Shares issued pursuant to an exercise of an Option before the date that is four month and one day after the date of grant of an Option will bear the following legend, if required pursuant to the policies of the TSXV:

“Without prior written approval of the TSX Venture 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 [NTD: The date that is four months and one day after the date of the grant of the Option will be inserted].”

3.11 Press Release

In accordance with Policy 3.3 of the ~~TSX Venture Exchange~~TSXV, any granting or amendment of an Option to an insider or a Person performing Investor Relations Activities shall be disclosed to the public on the day the Option is granted or amended. The news release shall include the terms of the Options under the grant and any subsequent (shareholder and Exchange) approvals that may be required.

3.12 Personal Information Form and Monitoring of Trading

An Option Holder who becomes a new insider of the Corporation or who is undertaking ~~investor relations activities~~Investor Relations Activities must file a Personal Information Form or such other documents as may be required by the Regulatory Authorities. An Option Holder who performs ~~investor~~

~~relations activities~~ Investor Relations Activities must comply with all procedures established by the Board or the Regulatory Authorities to monitor the Option Holder's trading in the securities of the Corporation.

3.13 Rights as a Shareholder

Neither an Option Holder nor such Option Holder's Personal Representatives shall have any rights whatsoever as shareholder in respect of any Common Shares covered by such Option Holder's Options until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) (or in the case of Common Shares issued in uncertificated form, receipt of evidenced of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Common Shares). Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued (or in the case of Common Shares issued in uncertificated form, such book position on the register is evidenced, as applicable).

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of the Option Holder may exercise the vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. ~~local time in Toronto, Ontario~~ Eastern Time on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque ~~or~~ bank draft or wire transfer payable to the Corporation in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Common Shares purchased by the Option Holder. If the number of Common Shares in respect of which the Option was exercised is less than the number of Common Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the share certificate for the balance of the Common Shares available under the Option.

4.3 Condition of Issue

The Options and the issue of Common Shares by the Corporation pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Common Shares, and to all applicable Securities Laws. The Option Holder agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Corporation any information, reports or undertakings required to comply with, and to fully cooperate with, the Corporation in complying with such laws, regulations, rules and policies.

4.4 Taxes

The Board and the Corporation may take all such measures as they deem appropriate to ensure that the Corporation's obligations under the withholding provisions under income tax laws

applicable to the Corporation and other provisions of applicable laws are satisfied with respect to the issuance of Common Shares pursuant to the Plan or the grant or exercise of Options under the Plan. Issuance of Common Shares or delivery of share certificates for Common Shares purchased pursuant to the Plan may be delayed, at the discretion of the Board, until the Board is satisfied that the applicable requirements of income tax laws and other applicable laws have been met.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any director, officer or employee of the Corporation such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

ARTICLE 6 AMENDMENT, TERMINATION AND NOTICE

6.1 Amendments

(1) The Board may ~~amend the Plan or any Option at any time without the consent of the Option Holders provided that such amendment shall:~~

(a) not adversely alter or impair any Option previously granted except as permitted by the provisions of Section 3.8 hereof;

(b) be subject to ~~the approval of~~ any regulatory ~~authority whose approval is~~ approvals including, where required ~~and~~, the approval of ~~shareholders~~ the TSXV; and

(c) be subject to shareholder approval, where required by ~~such regulatory authority, amend the Plan or any Option at any time. Without limiting the generality of the foregoing, the Board is specifically authorized to amend the terms of the Plan or any Option without obtaining the law or the requirements of the TSXV, provided that shareholder approval of shareholders in~~ shall not be required for the following ~~circumstances, subject to any limitations that may be prescribed by the policies of the TSX Venture Exchange from time~~ amendments and the Board may make any changes which may include but are not limited to ~~time~~:

- ~~(a) (i)~~ amendments of a “housekeeping” nature ~~including, but not limited to, of a clerical, grammatical or typographical nature;~~
- ~~(b)~~ ~~to correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;~~
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~~provided that, in the case of any Option, no such amendment may, without the consent of the Option Holder, materially decrease the rights or benefits accruing to such Option Holder or materially increase the obligations of such Option Holder and disinterested shareholder approval is required for any reduction in the exercise price of any Option or any extension of the term of an Option if the Option Holder is an insider at the time of the proposed amendment.~~

provided that Common Shares held directly or indirectly by Insiders benefiting from the amendments in Sections (a), (b), (c) and (d) shall be excluded when obtaining such shareholder approval.

(3) Notwithstanding anything contained to the contrary in the Plan, the Board shall be required to obtain disinterested shareholder approval to make the following amendments:

(a) any change to the termination provisions contained herein in respect of when Options are forfeited or cancelled, as applicable, following a Termination Date; and

(b) any changes to participants eligible to participate in the Plan as "Eligible Persons".

(4) The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Option Holder's employment shall not apply for any reason acceptable to the Board.

6.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

6.3 Approvals

The Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities and shareholders.

6.4 Termination

The Board may, subject to regulatory approval, terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

6.5 Agreement

The Corporation and every Option awarded hereunder shall be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Corporation to be bound by the terms and conditions of the Plan.

6.6 Notice

Any notice or other communication contemplated under the Plan to be given by the Corporation to an Option Holder shall be given by the Corporation delivering ~~or~~, faxing or e-mailing the notice to the Option Holder at the last address, facsimile number or e-mail address for the Option Holder

in the Corporation's records. Any such notice shall be deemed to have been given on the date on which it was delivered, or in the case of fax, the next business day after transmission. An Option Holder may, at any time, advise the Corporation of a change in the Option Holder's address ~~or fax~~ facsimile number or e-mail address.

SCHEDULE "A"

NORTHERN GRAPHITE CORPORATION

STOCK OPTION PLAN

OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Northern Graphite Corporation (the "Corporation") Stock Option Plan (the "Plan") and evidences that ● is the holder (the "Option Holder") of an option (the "Option") to purchase up to ● common shares (the "Common Shares") in the capital stock of the Corporation at a purchase price of Cdn. \$● per Common Share.

Subject to the provisions of the Plan:

- (a) the Award Date of the Option is ●;
- (b) the Fixed Expiry Date of the Option is ●;
- (c) the Expiry Period is ●; and
- (d) the vesting schedule if any, is as follows:

<insert vesting schedule, if any>

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. ~~local time in Toronto, Ontario~~ Eastern Time on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form attached, together with this Certificate and a certified cheque ~~or~~ bank draft or wire transfer payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, ~~the terms and conditions of which the Option Holder hereby expressly agrees with the Corporation to be bound by.~~ This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

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

Dated this ● day of ●.

NORTHERN GRAPHITE CORPORATION

Per:

Authorized Signing Officer

OPTION CERTIFICATE - ACKNOWLEDGEMENT

The undersigned Option Holder acknowledges receipt of the Certificate to which this Acknowledgement is attached and the grant by the Corporation to the Option Holder of the Option set forth and described in the Certificate.

The undersigned Option Holder acknowledges that this Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the undersigned Option Holder hereby expressly agrees with the Corporation to be bound by.

[NTD: Include the following in the case of Employees, Management Company Employees and Consultants: The undersigned Option Holder represents and warrants to and agrees with the Corporation that it is a bona fide [Employee][Management Company Employee][Consultant].]

Option Holder

OPTION CERTIFICATE - SCHEDULE

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

1. ●; and
2. ●.

NORTHERN GRAPHITE CORPORATION

Per:

Authorized Signing Officer

SCHEDULE "B"
NORTHERN GRAPHITE CORPORATION

STOCK OPTION PLAN
EXERCISE NOTICE

TO: The Administrator, Stock Option Plan
 Northern Graphite Corporation (the "Corporation")
 ~~Suite 201, 290 Pieton Avenue~~
 ~~Ottawa~~ 913 Quarry Road
 Carleton Place, Ontario, K4Z 87C ~~3P81~~

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item)**:

- (a) all of the Common Shares; or
- (b) _____ of the Common Shares;

which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque ~~or~~ bank draft or wire transfer (circle one) payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares exercised and directs the Corporation to issue the certificate evidencing said Common Shares in the name of the undersigned to be mailed to the undersigned at the following address:

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

DATED the _____ day of _____, _____.

Signature of Option Holder

NORTHERN GRAPHITE CORPORATION

DEFERRED SHARE UNIT AND RESTRICTED SHARE UNIT COMPENSATION PLAN

The Board of Directors of Northern Graphite Corporation has authorized the establishment of this Deferred Share Unit and Restricted Share Unit Compensation Plan, subject to the approval of the Corporation's shareholders and the TSXV (as defined below).

This Deferred Share Unit and Restricted Share Unit Compensation Plan is in addition to the Corporation's existing stock option plan adopted by the Board of Directors on April 18, 2011, initially approved by the Corporation's shareholders on August 17, 2011 and amended and restated effective July 24, 2013 (the "SOP").

ARTICLE 1 – DEFINITIONS

Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"Account" means an account maintained for each Participant on the books of the Corporation which will be credited with Awards, including any Dividend Equivalents, in accordance with the terms of this Plan;

"Awards" means a RSU or a DSU granted to a Participant pursuant to the terms of the Plan;

"Black-Out Period" means a period of time when there is any restriction formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Awards;

"Board" has the meaning ascribed thereto in Section 2.2(1) hereof;

"Broker" means a broker independent from the Corporation or any of its Subsidiaries who has been designated by the Corporation as the broker that will purchase Shares pursuant to the Plan and who is a member of the principal Canadian stock exchange or other public exchange on which the Shares are listed, or, if the Shares are not then listed, as selected by the Board acting in good faith;

"Business Day" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, for the transaction of banking business;

"Canadian Participant" means a Participant in the Plan who is resident in, or is primarily employed in, Canada;

"Cash Equivalent" means the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant's Account, net of any applicable taxes in accordance with Section 7.2, on the RSU Settlement Date;

"Cause" means:

- (a) unless the applicable Grant Agreement states otherwise, with respect to any Employee or Consultant:

- (i) if the Employee or Consultant is a party to an Employment Agreement or service agreement with the Corporation or its Subsidiaries and such agreement provides for a definition of Cause, the definition contained therein; or
 - (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the Employee's or Consultant's employment or service agreement without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the failure of the Employee or Consultant to carry out the Employee's or Consultant's duties properly or to comply with the Corporation's rules, policies and practices; (ii) material breach of any agreement with the Corporation or a Subsidiary, or a material violation of the Corporation's or a Subsidiary's code of conduct or other written policy; (iii) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (iv) material fiduciary breach with respect to the Corporation or a Subsidiary; (v) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Subsidiaries; or (vi) gross negligence or willful misconduct with respect to the Corporation or a Subsidiary;
- (b) with respect to any Director, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:
- (i) gross misconduct or neglect;
 - (ii) willful conversion of corporate funds;
 - (iii) false or fraudulent misrepresentation inducing the Director's appointment; or
 - (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance; and
- (c) the Board, in its sole and absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause;

"Change of Control" means and shall be deemed to have occurred if one of the following events takes place:

- (a) the sale, transfer or other disposition of all or substantially all of the Corporation's assets in complete liquidation or dissolution of the Corporation;
- (b) the Corporation amalgamates or enters into a plan of arrangement with another Corporation at arm's length to the Corporation and its affiliates, other than an amalgamation or plan of arrangement that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation or plan of arrangement; or
- (c) any Person or combination of Persons at arm's length to the Corporation and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Corporation, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect;

“Committee” has the meaning ascribed thereto in Section 2.2(1) hereof;

“Consultant” means a Person (other than a Director, Officer or Employee) that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its Subsidiaries, other than services provided in relation to a distribution of securities (as defined under Securities Laws);
- (b) provides the services under a written contract between the Corporation or any of its Subsidiaries and the individual or the Corporation, as the case may be; and
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its Subsidiaries;

“Corporation” means Northern Graphite Corporation, a corporation existing under the *Business Corporations Act* (Ontario), and its successors from time to time;

“Director” means a director (as defined under Securities Laws) of the Corporation or any of its Subsidiaries;

“Disabled” or **“Disability”** means the permanent and total incapacity of a Participant as determined in accordance with procedures established by the Board for purposes of this Plan;

“Dividend Equivalent” means a bookkeeping entry equivalent in value to a dividend paid on a Share credited to a Participant’s Account in accordance with Section 3.5 hereof;

“DSU” means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share, as determined by the Board, credited by the Corporation to a Participant’s Account in accordance with Article 3 hereof, subject to the provisions of this Plan;

“DSU Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof;

“Eligible Participants” has the meaning ascribed thereto in Section 2.3(1) hereof;

“Employee” means an individual who:

- (a) is considered an employee of the Corporation or any of its Subsidiaries under applicable tax legislation including the Tax Act and for whom source deductions including income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) works full-time for the Corporation or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or of a Subsidiary of the Corporation, as the case may be, but for whom income tax deductions are not made at source; or
- (c) works for the Corporation or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or any of its Subsidiaries;

“Employment Agreement” means, with respect to any Participant, any written employment agreement between the Corporation or a Subsidiary and such Participant;

“Exercise Notice” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“Grant Agreement” means an agreement evidencing the grant to a Participant of an Award, including a DSU Agreement, a RSU Agreement or an Employment Agreement;

“Insider” means an insider (as defined under Securities Laws) of the Corporation;

“Investor Relations Activities” has the meaning attributed thereto in the rules and policies of the TSXV as amended from time to time;

“Management Company Employee” means an individual employed by a Person other than an individual providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation.

“Market Value” means at any date when the Market Value of Shares of the Corporation is to be determined, the volume weighted average trading price of the Shares on the five Trading Days prior to the date of grant, calculated by dividing the total value by the total volume of Shares traded for the five Trading Days prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith, provided that the Market Value for any Award whose value is initially tied to the trading price of the Shares shall not be lower than the Discounted Market Price as defined and determined under the policies of the TSXV;

“Notice of Redemption” means the written notice by a Participant, or the administrator or liquidator of the estate of the Participant, to the Corporation of the Participant’s wish to redeem his or her DSUs for cash or Shares;

“Officer” means an officer (as defined under Securities Laws) of the Corporation or any of its Subsidiaries;

“Participants” means Eligible Participants that are granted Awards under the Plan;

“Participant’s Account” means an Account maintained for each Participant’s participation in DSUs and/or RSUs under the Plan;

“Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Subsidiaries, and that may be used to determine the vesting of the Awards, when applicable;

“Performance Period” means the period determined by the Board pursuant to Section 4.4(1) hereof;

“Person” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“Plan” means this Deferred Share Unit and Restricted Share Unit Compensation Plan, as amended and restated from time to time;

“Regulation” or **“Regulations”** means the regulations made under the Tax Act, as amended from time to time;

“Restriction Period” means the period determined by the Board pursuant to Section 4.3 hereof;

“RSU” means a right awarded by the Corporation to a Participant to receive a payment in the form of Shares or the Cash Equivalent as provided in Article 4 hereof, subject to the provisions of this Plan;

“RSU Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof;

“RSU Settlement Date” has the meaning determined in Section 4.6(1)(a);

“RSU Settlement Notice” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs.

“RSU Vesting Determination Date” has the meaning described thereto in Section 4.5 hereof;

“Securities Laws” means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and blanket rules in force from time to time that are applicable to the Corporation;

“Share” means a common share in the capital of the Corporation, or such other security of the Corporation as may be designated by the Board from time to time in substitution thereof;

“Share Based Compensation Arrangement” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan (including the SOP) where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation’s treasury;

“Subsidiary” means any entity that is a “subsidiary” as defined under Securities Laws;

“Successor Corporation” has the meaning ascribed thereto in Section 6.1(3) hereof;

“Tax Act” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“Termination Date” means the date a Participant ceases to be an Eligible Participant and includes (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be an Employee of the Corporation or a Subsidiary and (ii) in the event of the termination of the Participant’s employment by the Corporation or a Subsidiary, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Affiliate, as the case may be, and unless otherwise provided therein “Termination Date” specifically does not include any period of statutory, contractual or reasonable notice that the Corporation or a Subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant;

“Trading Day” means any day on which the TSXV is opened for trading; and

“TSXV” means the TSX Venture Exchange.

ARTICLE 2 – PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

- (1) The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward the Participants for their performance of services while working for the Corporation or a Subsidiary; and
- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to serve the Corporation or its Subsidiaries.

Section 2.2 Implementation and Administration of the Plan.

- (1) The Plan shall be administered and interpreted by the Board of Directors of the Corporation (the "**Board**") or, if the Board by resolution so decides, by a committee appointed by the Board (the "**Committee**") and consisting of not less than three (3) members of the Board. If a Committee is appointed for this purpose, all references to the term "Board" will be deemed to be references to the Committee.
- (2) The Board or, for greater certainty, the Committee, may, from time to time, as it may deem expedient, adopt, amend and rescind rules, regulations and policies for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the TSXV. Subject to the provisions of the Plan, the Board or, for greater certainty, the Committee, is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board or, for greater certainty, the Committee, shall be final and binding on all Eligible Participants.
- (3) No member of the Board or, for greater certainty, the Committee, shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- (4) Any determination approved by a majority of the Board or, for greater certainty, the Committee, shall be deemed to be a determination of that matter by the Board or, for greater certainty, the Committee.
- (5) Subject to the terms of this Plan and applicable law, the Board or, for greater certainty, the Committee, may delegate to one or more Officers of the Corporation, or to a committee of such Officers, the authority, subject to such terms and limitations as the Board or the Committee may determine, to grant, cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards.

Section 2.3 Eligible Participants.

- (1) Subject to the discretion of the Board, all Directors, Officers, Employees, Management Company Employees and Consultants providing ongoing services to the Corporation or its Subsidiaries, as applicable ("**Eligible Participants**"), shall be eligible to receive Awards under this Plan. In determining Awards to be granted under the Plan, the Board shall give due consideration to the value of each Eligible Participant's present and potential future contribution to the Corporation's success.

- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation. In addition, in the case of Employees, Management Company Employees and Consultants, the Corporation and the Eligible Participant must ensure and confirm that each such Employee, Management Company Employee or Consultant, as the case may be, is a bona fide Employee, Management Company Employee or Consultant, and the Grant Agreement to which each such Employee, Management Company Employee or Consultant is a party shall contain a representation of the Corporation and the Eligible Participant to such effect.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation to the Participant.

Section 2.4 Shares Subject to the Plan.

- (1) Subject to adjustment pursuant to the provisions of Article 6 hereof, the total number of Shares available for issuance from treasury under the Plan pursuant to RSUs or DSUs will be 12,036,052 Shares (10% of the total issued and outstanding Shares of the Corporation at the effective date of the Plan).
- (2) Subject to adjustment pursuant to the provisions of Article 6 hereof, the maximum number of Shares which may be reserved for issuance under the Plan, together any other Share Based Compensation Arrangement, may not exceed 20% of the issued Shares from time to time (with the total number of Shares available for issuance from treasury under the Plan being fixed as provided in Section 2.4(1)).
- (3) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or delivered prior to the termination of such Award due to the expiration, termination or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares. Notwithstanding anything herein to the contrary, any Shares forfeited, cancelled or otherwise not issued for any reason under the awards of the Prior Plan shall be available for grants under this Plan. Awards that by their terms are to be settled solely in cash shall not be counted against the number of shares of Shares available for the issuance of Awards under the Plan. Any Dividend Equivalents awarded in respect of DSUs that are satisfied by the issuance of Shares shall be counted against the number of shares of Shares available for the issuance of Awards under the Plan.

Section 2.5 Participation Limits

Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Awards thereunder so long as such limitations are required by the TSXV:

- (1) the maximum aggregate number of Shares that may be issued to Insiders (as a group) under the Plan, together with all of the Corporation's other Share Based Compensation Arrangements, within any 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant of any Award, unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV); and
- (2) the maximum aggregate number of Shares that may be issued to Insiders (as a group) under the Plan, together with all of the Corporation's other Share Based Compensation Arrangements, may not exceed 10% of the issued Shares at any time, unless the Corporation has obtained

disinterested shareholder approval in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV).

Section 2.6 Additional Limits on Awards

In addition to the requirements in Section 2.4 and Section 2.5 and notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Awards thereunder so long as such limitations are required by the TSXV:

- (1) the maximum aggregate number of Shares that are issuable pursuant to Awards issued or granted, as applicable, to any one Eligible Participant under the Plan, together with all other Share Based Compensation Arrangements, in any twelve (12) month period must not exceed 5% of the Shares, calculated as at the date any Award is granted or issued to the Participant, unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV);
- (2) the maximum aggregate number of Shares that are issuable pursuant to Awards issued or granted, as applicable, to any one Eligible Participant that is a Consultant under the Plan, together with all other Share Based Compensation Arrangement, in any twelve (12) month period must not exceed 2% of the Shares, calculated as at the date any Award is granted or issued to the Participant;
- (3) no Awards may be granted under this Plan to Persons retained to provide Investor Relations Activities, including 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; and
- (4) any Awards issued or granted, as applicable to any Participant who ceases to be an Eligible Participant under the Plan for any reason whatsoever, shall terminate on a date no later than 12 months from the date such Participant ceases to be an Eligible Participant under the Plan.

Section 2.7 Granting of Awards.

- (1) Any Award granted under the Plan shall be subject to the requirement that if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (2) Any Award granted under the Plan shall be subject to the requirement that the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the *United States Securities Act of 1933* and may not be offered or sold in the United States unless registration or an exemption from registration is available.

ARTICLE 3 – DEFERRED SHARE UNITS

Section 3.1 Nature of DSUs.

A DSU is an Award of phantom share units to an Eligible Participant, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 3.2 Granting of DSUs to Directors for Director Fees.

(1) The Board may fix from time to time a portion of the annual compensation (including annual retainer and meeting fees, if any) to be paid by the Corporation to an Eligible Participant who is a non-Employee Director of the Corporation in a calendar year for service on the Board that is to be payable in the form of DSUs.

(2) In addition, each Eligible Participant who is a non-Employee Director of the Corporation may request that a percentage of his or her compensation (including annual retainer and meeting fees, if any) to be paid by the Corporation to the Director be paid in the form of DSUs, with the balance being paid in cash. Each such Eligible Participant who requests to receive a percentage of their compensation in the form of DSUs in lieu of cash will be required to file a notice of election completed, signed and delivered in the form as provided by the Corporation with the Chief Financial Officer of the Corporation: (i) in the case of an existing Eligible Participant, by the end of the fiscal year preceding the fiscal year to which such election is to apply; and (ii) in the case of a new Eligible Participant, within 30 calendar days of the Eligible Participant's appointment with respect to compensation paid for services to be performed after such date. For the first year of the Plan, Eligible Participants must make such election request within 30 days of the adoption of the Plan. Upon receipt of notice of the Eligible Participant's request in accordance with this Section 3.2(2), the Board shall have the right, in its sole and absolute discretion, to accept or reject such request, in whole or in part, which acceptance or rejection shall be binding on the Eligible Participant for the applicable year. If no election request is made in respect of a particular fiscal year within the foregoing timeframes, or if the Corporation rejects the election request in its entirety, such Eligible Participant will receive the entire amount of his or her annual compensation in cash.

(3) Effective as of the last day of each calendar quarter, each Eligible Participant who is to be paid a portion of their compensation in DSUs under this Section 3.2 will be issued, and their Participant's Account will be credited with, that number of DSUs determined by dividing the dollar amount of such compensation payable in DSUs in respect of such quarter by the Market Value on such date. At the discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

(4) No DSU granted pursuant to the Plan may vest before the date that is one year following the date it is granted, other than in the event a Participant dies as set out in Section 5.2 or ceases to be an Eligible Participant under the Plan in connection with a Change of Control as set out in Section 6.2.

Section 3.3 Granting of DSUs to Participants.

In addition to DSUs granted pursuant to Section 3.2, the Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may determine, grant DSUs to an Eligible Participant who is not a non-Employee Director of the Corporation as the Board deems advisable to provide the Eligible Participant with appropriate equity-based compensation for the services he or she renders to the Corporation, and, in doing so, may, without limitation, in its discretion, (a) designate the Eligible Participants who may receive DSUs under the Plan, (b) fix the number of DSUs, if any, to be granted to each Eligible Participant and the date or dates on which such DSUs shall be granted, (c) determine the relevant conditions and vesting provisions (including Performance Criteria, if any, and the Performance Period), and (d) the vesting schedule of the DSUs, provided that no DSU granted pursuant to the Plan may vest before the date that is one year following the date it is granted, other than in the event a Participant

dies as set out in Section 5.2 or ceases to be an Eligible Participant under the Plan in connection with a Change of Control as set out in Section 6.2. On each such date of grant, the Eligible Participant's Account will be credited with that number of DSUs granted to such Eligible Participant on such grant date.

Section 3.4 Redemption of DSUs.

- (1) Each Participant shall be entitled to redeem his or her vested DSUs during the period commencing on the Business Day immediately following the Termination Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Corporation. In the event of death of a Participant, the Notice of Redemption shall be filed by the administrator or liquidator of the estate of the Participant. The Notice of Redemption may indicate the preference of the Participant to receive in respect of such redemption:
 - (a) a cash payment equal to the number of DSUs credited to the Participant's Account as of the Termination Date multiplied by the Market Value on the Termination Date, net of any applicable withholding taxes;
 - (b) Shares equal to the number of DSUs credited to the Participant's Account as of the Termination Date, net of any applicable deductions and withholdings; or
 - (c) a percentage of the DSUs paid out in cash and the remaining percentage of the DSUs paid out as Shares.

Notwithstanding anything else to the contrary contained herein, in a Notice of Redemption or in any Grant Agreement, such an indication of preference shall not be binding on the Corporation, and the Board shall be entitled to satisfy any DSU so redeemed in cash, Shares or a combination thereof as it may determine in its sole and absolute discretion. A Participant shall not have any right to demand, be paid in, or receive any specific allocation of cash or Shares in respect of a DSU at any time.

- (2) Upon redemption of DSUs in accordance with Section 3.4(1), the Participant shall be entitled to receive, and the Corporation shall issue, deliver or pay to such Participant, a payout with respect to DSUs in one of the following forms as determined by the Corporation in its sole discretion:
 - (a) cash in an amount equal to the number of DSUs credited to the Participant's Account as of the Termination Date multiplied by the Market Value on the Termination Date, net of any applicable withholding taxes;
 - (b) subject to shareholder approval of this Plan and the limitations set forth in Sections 2.4, 2.5 and 2.6 of this Plan, that number of Shares issued from treasury as is equal to the number of DSUs credited to the Participant's Account as of the Termination Date, net of any applicable deductions and withholdings;
 - (c) subject to and in accordance with any Applicable Law, that number of Shares as is equal to the number of DSUs credited to the Participant's Account as of the Termination Date purchased by the Broker, net of any applicable deductions and withholdings; or
 - (d) any combination of the foregoing.
- (3) Shares issued by the Corporation from treasury pursuant to Section 3.4(2) of the Plan shall be considered fully paid in consideration of past service that is no less in value than the fair equivalent of the money the Corporation would have received if the Shares had been issued for money.
- (4) Provided a Notice of Redemption is received by the Corporation within the specified time set out in this Plan, the Corporation will make all of the payments described in this Article 3 (referred to

hereinafter as the “**Final Payment**”) to the Participant within 120 calendar days of the Termination Date. Upon making such payment to the Participant, the DSUs upon which such payment was based shall be cancelled and no further payments shall be made from the Plan in relation to such DSUs.

- (5) Notwithstanding any other provision of this Plan, in the event that the settlement date for the redemption of any DSUs falls during a Black-Out Period, then such settlement date shall be automatically extended to the 10th Business Day following the date that such Black-Out Period is lifted, terminated or removed, unless the delayed expiration would cause adverse tax consequences to a Canadian Participant or the Corporation is subject to a cease trade order in respect of the Corporation’s securities and provided that such extension is available to all eligible Participants under the Plan under the same terms and conditions.

Section 3.5 Award of Dividend Equivalents.

- (1) Dividend Equivalents will be awarded in respect of DSUs in a Participant’s Account on the same basis as dividends declared and paid on the Shares designated to the DSU as if the Participant was a shareholder of record of Shares on the relevant record date. These Dividend Equivalents will be credited to the Participant’s Account as additional DSUs (or fractions thereof), with the number of additional DSUs based on (a) the actual amount of dividends that would have been paid if the Participant’s DSUs on the applicable record date for the dividend had been Shares, divided by (b) the Market Value per Share on the date on which the dividends on Shares are payable. For greater certainty, no DSUs representing Dividend Equivalents will be credited to a Participant’s Account in relation to DSUs that have been previously cancelled or paid out of the Plan and all additional DSUs credited as a result of a Dividend Equivalent will be credited at the same time as any applicable Final Payment.
- (2) In the event that the number of DSUs to be granted in accordance with Section 3.5(a) would result in the number of Shares issuable pursuant to all Share Based Compensation Arrangements granted or awarded hereunder to exceed the limits set out in Sections 2.5 and 2.6, such DSUs shall not be granted and the Board may determine, in its sole discretion, to make a cash payment to the Participant in lieu thereof equal to the aggregate value determined pursuant to Section 3.5(a).

Section 3.6 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of DSUs under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

Section 3.7 DSU Agreements.

DSUs shall be evidenced by a DSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 5 hereof be included therein. The DSU Agreement shall contain such terms that may be considered necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation. Where a DSU Agreement is entered into with a Canadian Participant, the terms of the DSU Agreement shall comply with the requirements of Regulation 6801(d).

ARTICLE 4 – RESTRICTED SHARE UNITS

Section 4.1 Nature of RSUs.

A RSU is an Award entitling the recipient to acquire Shares or the Cash Equivalent, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 4.2 RSU Awards.

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the class of Share, relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) Subject to the vesting and other conditions and provisions herein set forth and in the RSU Agreement, each RSU awarded to a Participant shall entitle the Participant, at his or her election, to receive one Share issued from treasury or the Cash Equivalent at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the RSU Settlement Date.

Section 4.3 Restriction Period.

The applicable restriction period in respect of a particular RSU award shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three years after the calendar year in which the Award is granted (“**Restriction Period**”). For example, the Restriction Period for a grant made in June 2022 shall end no later than December 31, 2025. Subject to the Board’s determination, any vested RSUs with respect to a Restriction Period will be paid to Participants in accordance with Article 3, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

Section 4.4 Performance Criteria and Performance Period.

- (1) For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three years after the financial year in which the Award was granted.
- (2) For each award of RSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period in order for a Participant to be entitled to receive Shares in exchange for his or her RSUs.

Section 4.5 RSU Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the “**RSU Vesting Determination Date**”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty,

the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period.

Section 4.6 Settlement of RSUs.

- (1) Except as otherwise provided in the RSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of an RSU are satisfied:
 - (a) all of the vested RSUs covered by a particular grant may, subject to Section 4.6(4), be settled at any time beginning on the first Business Day following their RSU Vesting Determination Date but, with respect to RSUs granted to Canadian Participants, no settlement date shall occur, and no Share shall be issued or cash payment shall be made in respect of the RSU any later than the final Business Day of the third calendar year following the year in which the RSU is granted, so that such Award does not constitute a “salary deferral arrangement” as defined in Section 248(1) of the Tax Act (the “**RSU Settlement Date**”);
 - (b) a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested RSUs held by such Participant; and
 - (c) in the RSU Settlement Notice, the Participant will indicate the preference of the Participant, including with respect to any fractional RSUs, to settle vested RSUs for their Cash Equivalent, Shares issued from treasury, or a combination thereof. Notwithstanding anything else to the contrary contained herein, in a RSU Settlement Notice or in any Grant Agreement, such an indication of preference shall not be binding on the Corporation, and the Board shall be entitled to satisfy any vested RSUs for their Cash Equivalent, Shares issued from treasury, or a combination thereof as it may determine in its sole and absolute discretion.
- (2) Subject to Section 4.6(4), settlement of RSUs shall take place promptly following the RSU Settlement Date, and in any event no later than one year from the Termination Date, or such shorter time period as prescribed by the Board or this Plan, and take the form set out in the RSU Settlement Notice through:
 - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares (or in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares); or
 - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, the Board shall have the sole and absolute discretion to elect to settle the applicable RSUs for the Cash Equivalent of RSUs, Shares issued from treasury, or any combination thereof.
- (4) Notwithstanding any other provision of this Plan, in the event that an RSU Settlement Date falls during a Black-Out Period, then such RSU Settlement Date shall be automatically extended to the 10th Business Day following the date that such Black-Out Period is lifted, terminated or removed,

unless the delayed expiration would cause the RSU Settlement Date to occur any later than the final Business Day of the third calendar year following the year in which the RSU is granted to a Canadian Participant or the Corporation is subject to a cease trade order in respect of the Corporation's securities and provided that such extension is available to all eligible Participants under the Plan under the same terms and conditions.

Section 4.7 Determination of Amounts.

- (1) **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.6, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 4.6, such calculation will be made on the RSU Settlement Date and be the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

Section 4.8 Award of Dividend Equivalents.

- (1) Dividend Equivalents will be awarded in respect of RSUs in a Participant's Account on the same basis as dividends declared and paid on the Shares designated to the RSU as if the Participant was a shareholder of record of Shares on the relevant record date. These Dividend Equivalents will be credited to the Participant's Account as additional RSUs (or fractions thereof), with the number of additional RSUs based on (a) the actual amount of dividends that would have been paid if the Participant's RSUs on the applicable record date for the dividend had been Shares, divided by (b) the Market Value per Share on the date on which the dividends on Shares are payable. For greater certainty, no RSUs representing Dividend Equivalents will be credited to a Participant's Account in relation to RSUs that have been previously cancelled or paid out of the Plan and all additional RSUs credited as a result of a Dividend Equivalent will be credited at the same time as any applicable Final Payment.
- (2) In the event that the number of RSUs to be granted in accordance with Section 4.8(a) would result in the number of Shares issuable pursuant to all Share Based Compensation Arrangements granted or awarded hereunder to exceed the limits set out in Sections 2.5 and 2.6, such RSUs shall not be granted and the Board may determine, in its sole discretion, to make a cash payment to the Participant in lieu thereof equal to the aggregate value determined pursuant to Section 4.8(a).

Section 4.9 RSU Agreements.

RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 4 and Article 5 hereof be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 5– GENERAL CONDITIONS

Section 5.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Employment** – The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (2) **Rights as a Shareholder** – Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) (or in the case of Shares issued in uncertificated form, receipt of evidenced of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares). Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Share certificate is issued (or in the case of Shares issued in uncertificated form, such book position on the register is evidenced, as applicable).
- (3) **Conformity to Plan** – In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (4) **Non-Transferable Awards** – Except as permitted by the Board and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

Section 5.2 Termination of Employee, Director or Consultant

Subject to Section 5.3, unless otherwise determined by the Board or as set forth in a Grant Agreement:

- (1) unless otherwise provided this Section 5.2, if a Participant shall cease to be an Eligible Participant for any reason, then:
 - (a) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date; and
 - (b) all Awards held by the Participant that have vested as of the Termination Date shall be settled in accordance with Article 3 or Article 4, as applicable;
- (2) if a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, then any unexercised vested or unvested Award held by the Participant is immediately forfeited and cancelled as of the Termination Date;
- (3) if a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Award held by the Participant that has not vested

as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and be settled in accordance with Article 3 or Article 4, as applicable;

- (4) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of:
 - (a) the date that the Corporation or a Subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are terminated in the circumstances contemplated by this Section 5.2, notwithstanding that such date may be prior to the Termination Date; or
 - (b) the date of the death or Disability of the Participant; and
- (5) notwithstanding Section 5.2(3), unless the Board, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or a Subsidiary of the Corporation for so long as the Participant continues to be a Director, Officer, Employee or Consultant, as applicable, of the Corporation.

Section 5.3 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 5.2, the Board, in its discretion, subject to shareholder and TSXV approval, as and when required, may at any time prior to, or following the events contemplated in such Section, or in an Employment Agreement or other written agreement between the Corporation or a Subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards, all in the manner and on the terms as may be authorized by the Board, and if such discretion is taken and the vesting of any or all Awards occurs, then such Awards will be settled in accordance with the terms hereof, provided that no Award issued or granted pursuant to the Plan may vest before the date that is one year following the date it is issued or granted, other than in the event a Participant dies as set out in Section 5.2 or ceases to be an Eligible Participant under the Plan in connection with a Change of Control as set out in Section 6.2.

ARTICLE 6 – ADJUSTMENTS AND AMENDMENTS

Section 6.1 Adjustment to Shares Subject to Outstanding Awards.

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(1) or Section 6.1(2) hereof or, subject to the provisions of Section 6.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares by way of a dividend or otherwise of other securities in the capital of the Corporation, cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants’ economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 6.2 Amendment or Discontinuance of the Plan.

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
- (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;
 - (b) be subject to any regulatory approvals including, where required, the approval of the TSXV; and
 - (c) be subject to shareholder approval, where required by law or the requirements of the TSXV, 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:
 - (i) amendments of a “housekeeping” nature;
 - (ii) a change to the vesting provisions of any Award; and
 - (iii) any changes or amendments required by the TSXV.
- (2) Notwithstanding Section 6.2(1)(c), the Board shall be required to obtain disinterested shareholder approval to make the following amendments:

- (a) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to Article 6;
- (b) any amendment which reduces the exercise price of any Award granted to an Insider, as applicable, after such Awards have been granted or any cancellation of an Award granted to an Insider and the substitution of that Award by a new Award with a reduced price, except in the case of an adjustment pursuant to Article 6;
- (c) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
- (d) amend the limitations on the maximum number of Shares reserved or issued to Insiders under Section 2.4 or Section 2.5;
- (e) any amendment which would permit a change to the Eligible Participants, including a change which would have the potential of broadening or increasing participation by Insiders; or
- (f) any amendment to the amendment provisions of the Plan,

provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Sections (a), (b), (c) and (d) shall be excluded when obtaining such shareholder approval.

- (3) Notwithstanding anything contained to the contrary in the Plan, the Board shall be required to obtain disinterested shareholder approval to make the following amendments:
 - (a) any change to the termination provisions contained herein in respect of when Awards are forfeited or cancelled, as applicable, following a Termination Date; and
 - (b) any changes to participants eligible to participate in the Plan as "Eligible Participants".
- (4) Notwithstanding anything contained to the contrary in the Plan, in a Grant Agreement contemplated herein, but subject to any specific provisions contained in any Employment Agreements, in the event of a Change of Control, a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in Securities Laws) for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances, including, without limitation, changing the Performance Criteria and/or other vesting conditions for the Awards and/or the date on which any Award expires or the Restriction Period, the Performance Period, the Performance Criteria and/or other vesting conditions for the Awards.
- (5) The Board or, for greater certainty, the Committee, may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Board or, for greater certainty, the Committee.
- (6) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

ARTICLE 7 – MISCELLANEOUS

Section 7.1 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 7.2 Tax Withholding.

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. The Corporation may withhold from any amount payable to a Participant under the Plan such amount as may be necessary so as to ensure that the Corporation will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) Notwithstanding the first paragraph of this Section 7.2, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 7.3 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 7.4 Personal Information

Each Participant shall provide the Corporation and the Board with all information they require in order to administer the Plan. The Corporation and the Board may from time to time transfer or provide access to such information to a third party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing such services to the Corporation. By participating in the Plan, each Participant acknowledges that information may be so provided and agrees to its provision on the terms set forth herein. Except as specifically contemplated in this Section 7.4, the Corporation and the Board shall not disclose the personal information of a Participant except: (i) in response to regulatory filings or other requirements for the information by a governmental authority with jurisdiction over the Corporation; (ii) for the purpose of complying with a subpoena, warrant or other order by a court, person or body having jurisdiction to compel production of the information; or (iii) as otherwise required by law. In addition, personal information of Participants may be

disclosed or transferred to another party during the course of, or completion of, a change in ownership of, or the grant of a security interest in, all or a part of the Corporation or its Subsidiaries including through an asset or share sale, or some other form of business combination, merger or joint venture, provided that such party is bound by appropriate agreements or obligations.

Section 7.5 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 7.6 Severability.

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

Section 7.7 Effective Date of the Plan.

Subject to acceptance by the TSXV, the Plan shall be effective as of the date on which it is approved by the shareholders of the Corporation.