

COLOURED TIES CAPITAL INC.
(formerly GrowMax Resources Corp.)

Suite 206 - 1045 West 8th Avenue
Vancouver, British Columbia Canada V6H 1C3
Tel: 604 805-4602

INFORMATION CIRCULAR

as at August 12, 2022
(except as otherwise indicated)

IN VIEW OF THE CURRENT AND RAPIDLY EVOLVING COVID-19 OUTBREAK, THE COMPANY REQUESTS THAT IF POSSIBLE ALL SHAREHOLDERS VOTE THEIR SHARES BY PROXY AND AVOID ATTENDING THE MEETING IN PERSON, HOWEVER, IF YOU CHOOSE TO ATTEND THE MEETING IN PERSON, SHAREHOLDERS ARE ASKED TO FOLLOW THE INSTRUCTIONS OF THE PUBLIC HEALTH AGENCY OF CANADA (canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html)

THE COMPANY RESPECTFULLY ASKS SHAREHOLDERS NOT TO ATTEND THE MEETING IN PERSON IF EXPERIENCING ANY OF THE DESCRIBED COVID-19 SYMPTOMS OF FEVER, COUGH OR DIFFICULTY BREATHING, OR IF THEY HAVE BEEN EXPOSED TO ANYONE EXHIBITING COVID-19 SYMPTOMS WITHIN THE LAST 14 DAYS.

THE COMPANY MAY TAKE ADDITIONAL PRECAUTIONARY MEASURES IN RELATION TO THE MEETING IN RESPONSE TO FURTHER DEVELOPMENTS IN THE COVID-19 OUTBREAK.

This Information Circular is furnished in connection with the solicitation of proxies by the management of Coloured Ties Capital Inc. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of the Company’s shareholders to be held on Friday, September 23, 2022 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to the “Company”, “we” and “our” refer to Coloured Ties Capital Inc. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are directors and/or officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia Canada V6C 3B9 or by hand delivery at any Computershare office in Canada;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing process and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") who object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") the Company distributes copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively, the "**Meeting materials**") to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Company does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a beneficial owner, and the Company or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your

behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of the proxy provided by the Company. The VIF will name the same persons as are named on the Company’s form of Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) and Canadian provincial securities laws. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this Information Circular has been prepared in accordance with the disclosure requirements of applicable Canadian provincial securities laws which differ from the disclosure requirements of United States federal securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company was continued from the Alberta Business Corporations Act to the BCBCA, certain of its directors and its executive officers are residents of Canada, and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a Company, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare Trust Company of Canada, or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

Except as otherwise disclosed in this Information Circular, particularly with respect to the Acquisition (defined herein) and Mr. Kulwant Malhi’s interest in BullRun (defined herein), no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of auditor and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Company has fixed August 12, 2022, at the close of business, as the record date for the Meeting (the “**Record Date**”) for the determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company changed its name from “GrowMax Resources Corp.” to “Coloured Ties Capital Inc., effective on November 29, 2021. The Company’s common shares are listed for trading on the TSX Venture Exchange under stock symbol “TIE”.

Also effective on November 29, 2021 the Company’s common shares were consolidated at a common share ratio of ten (1) pre consolidation common shares, for one (1) new post-consolidated common share.

The Company is authorized to issue an unlimited number of Common Shares without par value with special rights and restrictions attached, and an unlimited number of Preferred Shares with special rights and restrictions attached.

The Common Shares are the only issued and outstanding voting securities of the Company and the holders thereof being entitled to one vote for each Common Share held. As of the Record Date a total of 22,111,859 Common Shares were issued and outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

Principal Holders of Common Shares of the Company

To the knowledge of the directors and executive officers of the Company, as at the Record Date August 12, 2022, the following company beneficially owns, or controls or directly or indirectly holds Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of Company:

Name	Number Common Shares Held and Percentage of Shares
CDS Inc.	17,988,312 (81.35%)
Rauni Malhi	2,836,946 (12.829%)

Notes:

- (1) The information is based on information provided by the Company’s transfer agent, Computershare Investor Services Inc. CDS & Co. is a share depository, the beneficial ownership of which is unknown to the Company.
- (2) The information is based on information provided by the shareholder.

There are no Preferred Shares outstanding as of Record Date.

Escrow Agreement

The Company completed a change of business (“COB”) under the policies of the TSX Venture Exchange. The COB is subject to an Escrow Agreement dated July 29, 2021. At Record Date August 12, 2022, a total of 2,358,089 Common Shares remain outstanding. The below named Insiders of the Company have Common Shares outstanding at Record Date under the Escrow Agreement:

Name	Common Shares held in escrow at August 12, 2022 record date
Kulwant Malhi	673,293
Rauni Malhi	1,204,796

Notes:

- (1) The information is based on information provided by the Company’s transfer agent, Computershare Investor Services Inc. and by the shareholder.
- (2) The information is based on information provided by the Company’s transfer agent, Computershare Investor Services Inc. and by the Rauni Malhi, a 10% securityholder in the share capital of the Company.

FINANCIAL STATEMENTS

The Company changed its year end from December 31 to September 30. The audited consolidated financial statements for financial years ended September 30, 2021 and September 30, 2020, the report of the auditor thereon and the related management’s discussion and analysis, will be tabled at the Meeting and will be available at the Meeting. These documents are also available on the Company’s SEDAR website at www.sedar.com.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the best of our knowledge, except as otherwise disclosed herein, no director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or

material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, updated Company share compensation plans, and the Royalty Purchase Agreement as set out herein.

ELECTION OF DIRECTORS

Number of Directors

There are currently four (4) directors of the Company. The Board proposes to nominate for election at the Meeting, four (4). Shareholders will be asked at the Meeting to approve an ordinary resolution to fix the number of directors to be elected to the Board at four (4).

At the Meeting, Shareholders will be asked to vote on the following ordinary resolution:

“BE IT RESOLVED that the number of directors for election at this Meeting be fixed at four (4).”

Management recommends the Shareholders approve the resolution to fix the number of directors of the Company at four. Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, in favour of the resolution to fix the number of directors of the Company at four (4).

Nominees

The term of office of each of the current directors cease to hold office immediately before the election or appointment of directors at the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management’s five nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each has nominee been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular.

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Kulwant Malhi ⁽³⁾⁽⁴⁾ Chairman, Chief Executive Officer and Director British Columbia, Canada	<ul style="list-style-type: none"> • Founder and Chairman of BullRun Capital Inc., Vancouver BC (Present) • CEO Beyond Medical Technologies Inc. (2017 to Present) • Chairman at Micron Waste Technologies Inc. (Present) • President of Cannabix Technologies Inc. (2014 – Present) • Chairman Moneyline Sportsbook (2020 to Present) • President Algernon Pharmaceuticals (2014 to 2015) <p><i>Also See Director Biographies below.</i></p>	<p>Director Since March 8, 2019</p> <p>Officer Since March 20, 2019</p>	1,038,893 ⁽²⁾

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Bala Pratap Reddy Udumala ⁽³⁾⁽⁴⁾ Director British Columbia, Canada	<ul style="list-style-type: none"> • Strategic Consultant for International Zeolite Corp. (TSXV) (Present) • Chief Executive Officer of Ichaana Indo-Can Zeolite Private Limited (Present) <p><i>Also see Director Biographies below.</i></p>	Since March 8, 2019	Nil
Desmond M. Balakrishnan Director British Columbia, Canada	<p>Corporate Securities Lawyer (1997 to present), Partner at McMillan LLP (formerly Lang Michener LLP) (2004 to present)</p> <p><i>Also see Director Biographies below.</i></p>	Since April 29, 2020	Nil
Christopher R. Cooper ⁽³⁾⁽⁴⁾ Director British Columbia, Canada	<p>Founder, President & CEO of Canadian Towers & Fiber Optics Inc.</p> <p><i>Also see Director Biographies below.</i></p>	Since April 29, 2020	Nil

Notes:

- (1) Information as to number of common shares and incentive stock options (“Options”) beneficially owned or over which direction is exercised has been provided by the respective individuals named therein.
- (2) Of these common shares, 150,000 common shares (post-consolidated) are registered to BullRun Capital Inc., a private company owned and controlled by Mr. Malhi. Mr. Malhi also holds a total of 11,133,846 warrants pre-consolidation/1,113,385 post-consolidated at a warrant exercise price of \$0.08 pre-consolidation/\$0.80 post-consolidated, expiring on July 23, 2026.
- (3) Member of Audit Committee.
- (4) Member of Compensation Committee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see below). Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**

Director Biographies

Kulwant Malhi, Chairman, Chief Executive Officer and Director

Kulwant Malhi is a Canadian entrepreneur and businessman. He is a retired member of the Royal Canadian Mounted Police where he completed his duties in the drug enforcement and organized crime divisions. He is the founder and chairman of Bullrun Capital and is deeply involved in the financial markets. Mr. Malhi has been instrumental in raising capital for various projects totaling in excess of \$150 million dollars since 2008. Mr. Malhi has specialized in working with academia and advances in technology and funded academic research that has potential for commercialization through private and public companies. His extensive network of contacts and personal relationships have enabled him to assemble a growing team aimed at unearthing the potential of technological advancements in the biomedical, agricultural and technology sectors.

Bala Pratap Reddy Udumala, Director

Bala Reddy Udumala is a Strategic Consultant for International Zeolite Corp., a public company listed on the TSXV, as well as CEO of Ichaana Indo Can Zeolite Private Ltd.

Christopher R. Cooper, Director

Christopher Cooper has over 20 years of extensive business experience in all facets of corporate development, senior management, finance, and operations in both the private and public sectors. Mr. Cooper's experience includes spearheading growth strategies, financial reporting, quarterly and annual budgets, and overseeing corporate administration – all while achieving company objectives and maintaining internal cost controls. Mr. Cooper has served as a director of several private and public companies over the last 20 years. He has founded several resource companies active internationally, as well as domestically.

Mr. Cooper received his Bachelor of Business Administration from Hofstra University in Hempstead, N.Y., and his Masters of Business Administration from Dowling College in Oakdale, N.Y.

Mr. Cooper has held senior management and board positions in both the public and private sectors, and currently sits on the boards of multiple public companies.

Desmond M. Balakrishnan, Director

Desmond Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since January 2002. His areas of practice focus on mergers, acquisitions, international public listings, cannabis law, gaming and entertainment law. Mr. Balakrishnan acts as counsel to companies with respect to corporate governance, regulatory compliance, public listing on the Canadian Securities Exchange, the TSX Venture Exchange, the Toronto Stock Exchange, Nasdaq and the New York Stock Exchange, and debt or equity financings and strategic acquisitions. Mr. Balakrishnan is now, or has been in the last five years, a director or officer of various public companies or reporting issuers.

Mr. Balakrishnan graduated from Simon Fraser University with a Bachelor of Arts degree in 1994 and from the University of Alberta in 1997 with an LL.B (*with distinction*). Mr. Balakrishnan was called to the bar in British Columbia in 1998.

Cease Trade Orders and Bankruptcy

Within the last 10 years before the date of this Information Circular, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) 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 has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Christopher R. Cooper

Christopher Cooper, a director of the Company, is also the President and Chief Executive Officer of Aroway Energy Inc., a company trading on the TSX-V. A cease trade order was issued by the BCSC on January 4, 2016 against Aroway Energy Inc. for failing to file its annual audited financial statements, interim financial report and related management's discussion and analysis. Aroway Energy Inc. remains under the cease trade order as at the date of this Information Circular.

Desmond M. Balakrishnan

Desmond Balakrishnan, a director of the Company, was a director of Aroway Energy Inc., a company trading on the TSX-V. A cease trade order was issued by the BCSC on January 4, 2016 against Aroway Energy Inc. for failing to file its annual audited financial statements, interim financial report and related management's discussion and analysis. Aroway Energy Inc. remains under the cease trade order as at the date of this Information Circular.

Conflicts of Interest

Directors and officers of the Company are also directors, officers and/or promoters of other reporting and non-reporting issuers which raises the possibility of future conflicts in connection with property opportunities which they may become aware of and have a duty to disclose to more than the issuer on whose board they serve. This type of conflict is common in the junior resource exploration industry and is not considered an unusual risk. Conflicts, if any, will be subject to the procedures and remedies provided under the *Business Corporations Act* (British Columbia).

Penalties and Sanctions

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Advance Notice Provision

At the Company's annual and special meeting held August 7, 2019, shareholders approved the Company's *Business Corporations Act* (British Columbia) Articles that provide for advance notice provisions (the "**Advance Notice Provision**"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision that is available under the Company's profile on SEDAR at www.sedar.com.

The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

At the Meeting, Smythe LLP, Chartered Professional Accountants, located at Suite 1700, 475 Howe Street, Vancouver, British Columbia, Canada V6C 2B3, will be recommended by management and the Board of Directors for re-appointment as auditor of the Company. Smythe LLP has been the Company's auditor since November 5, 2019.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Smythe LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Audit Committee's Charter

The Audit Committee's charter is attached as Schedule A to this Information Circular.

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of Kulwant (Kal) Malhi (Chair), Bala Pratap Reddy Udumala and Christopher R. Cooper. Messrs. Udumala and Cooper are considered to be independent. Mr. Malhi is considered not to be independent (Chief Executive Officer). All members of the Audit Committee are "financially literate", as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

Relevant Education and Experience

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. Refer to *Director Biographies* above.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

The Company's auditor, Smythe LLP, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter.

External Auditor Service Fees

The Company changed its year end from December 31 to September 30. The Audit Committee has reviewed the nature and amount of the non-audited services provided by Smythe LLP, Chartered Professional Accountants for financial years ended September 30, 2021 and September 30, 2020. Fees incurred with Smythe LLP for audit and non-audit services are outlined in the following table:

Nature of Services	Fees Paid for year ended September 30, 2021	Fees paid for year ended September 30, 2020
Audit Fees ⁽¹⁾	\$ 42,300	\$ 72,400
Audit-Related Fees ⁽²⁾	\$ 9,110	\$ 20,800
Tax Fees ⁽³⁾	\$Nil	\$Nil

Nature of Services	Fees Paid for year ended September 30, 2021	Fees paid for year ended September 30, 2020
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total	\$ 51,410	\$ 93,200

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is a "venture issuer" under NI 52-110 and pursuant to NI 52-110, section 6.1, the Company is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognize the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

The Board facilitates its exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board also holds periodic meetings to discuss the operation of the Company.

Bala Pratap Reddy Udumala, Christopher R. Cooper and Desmond M. Balakrishnan are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising as shareholders. Kulwant Malhi is not "independent" as determined under NI 52-110 (defined below) as Mr. Malhi is Chief Executive Officer of the Company.

The directors are responsible for managing and supervising the management of the business and affairs of the Company. Each year, the Board must review the relationship that each director has with the Company in order to satisfy themselves that the relevant independence criteria have been met.

Directorships

Director nominees of the Company who participate as a director for other listed companies is set out below:

Name	Name of Reporting Issuer	Name of Exchange or Market
Kulwant Malhi	First Responder Technologies Inc.	CSE
Desmond M. Balakrishnan	Axcap Ventures Inc. (formerly Netcoins Holdings Inc.)	CSE
	Basin Uranium Corp. (formerly Black Shield Metals Corp.)	CSE
	Contagious Gaming Inc.	TSXV
	Eat Well Investment Group Inc.	CSE
	First Uranium Resources Ltd. (formerly Karam Minerals Inc.)	CSE
	Hempfusion Wellness Inc.	TSX
	Isracann Biosciences Inc.	CSE
	Northern Dynasty Minerals Ltd.	TSX/NYSE American
	Planet Ventures Inc.	TSXV
	Savannah Minerals Corp. (formerly Upper Canyon Minerals Corp.)	TSXV (NEX)
	Solution Financial Inc.	TSX
	Strategem Capital Inc.	TSXV
Christopher R. Cooper	Alpha Lithium Corporation	TSXV
	EEE Exploration Corp.	CSE
	Global Helium Corp.	CSE
	Level 14 Ventures Ltd.	CSE
	Manning Ventures Inc.	CSE
	Planet Ventures Inc. (formerly Planet Mining Exploration Inc.)	TSXV
	Sweet Earth Holdings Corporation (formerly Seaway Energy Services Inc.)	CSE
	Xcite Resources Inc.	CSE

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Ethical Business Conduct

Each director is required to disclose fully to the Board any material interest such director may have in any transaction contemplated by the Company. In the event that a director discloses a material interest in a proposed transaction, the Company's independent directors will review the nature and terms of the proposed transaction in order to ascertain and confirm that it is being considered on commercially reasonable and arm's-length terms. The Board does not currently have any policies and plans to adopt formal policies in the future.

Nomination of Directors

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the relatively small size of the Board.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Company. As such, nominations tend to be the result of recruitment efforts by management of the Company and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The board of directors of the Company (the "**Board**" or "**Board of Directors**") has established a compensation committee (the "**Compensation Committee**") whose mandate is to assist the Board in the review and approval of executive compensation matters. The Compensation Committee is responsible for (1) reviewing and recommending to the Board the compensation of the Executive Chairman, Chief Executive Officer and senior management members of the Company, including salary, short term and long term incentives and other direct and indirect benefits; (2) reviewing the compensation of directors; (3) overseeing the administration of the Company's compensation plans; and (4) approving the employment contracts of the Executive Chairman, Chief Executive Officer and senior management members. Final approval of all compensation matters relating to the Executive Chairman, Chief Executive Officer and senior management members of the Company rests with the full Board.

When determining compensation, and evaluating the competitiveness of the Company's compensation program, the Company periodically obtains industry reports and general compensation surveys conducted by independent consultants which provide comparative information. The Compensation Committee also reviews the compensation practices and levels of executive compensation for other peer group companies (as determined by the Compensation Committee). The Compensation Committee reviews this comparative data, in conjunction with its own review of the Company's performance and executive performance, and thereafter recommends to the Board the compensation package payable to the Company's executive officers for the Board's review and approval.

The Compensation Committee does not set specific performance objectives in assessing the performance of the Executive Chairman, Chief Executive Officer and the Chief Financial Officer; rather the Compensation Committee uses its experience and judgment in determining an overall compensation package for such executive officers.

Compensation awards to senior management of the Company's foreign subsidiaries has been determined by senior management of the Company having regard to executive compensation practices and levels in the applicable foreign jurisdiction.

The Board periodically reviews the mandate of all committees including the Compensation Committee. On April 27, 2016, the Board updated the Compensation Committee mandate to reflect changes in current compensation governance practices and regulatory requirements.

As at the date of this Information Circular, the Compensation Committee is comprised of Kulwant (Kal) Malhi (Chair), Bala Pratap Reddy Udumala and Christopher R. Cooper. of which Messrs. Udumla and Cooper are independent and Mr. Malhi is not independent (Chief Executive Officer). By virtue of education, professional designation and experience in other publicly listed companies, the Compensation Committee members collectively have the skills and experience that enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practices.

The Company has not at any time since the beginning of the Company's most recently completed financial year retained a compensation consultant or advisor to assist the Board or the Compensation Committee in determining compensation for the Company's directors or executive officers.

A more detailed description of Compensation can be found in the "*Statement of Executive Compensation*" section of this Information Circular.

Other Board Committees

The Board has no committees other than the Audit Committee and Compensation Committee.

Investment Policy

The Company adopted a written Investment Policy to govern its investment activities. The Investment Policy provides, among other things, the investment objectives and strategy based on the fundamental principles set out below. A complete copy of the Investment Policy is attached as Schedule “B” to the Company’s Information Circular dated July 2, 2019 to the Company’s August 7, 2019 annual and special meeting.

Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees, if any, or individual directors. As the Board is relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from its Shareholders.

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

For the purposes of this Information Circular:

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

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During financial year ended September 30, 2021, based on the definition above, the NEOs of the Company were: Kulwant Malhi, Chairman, Chief Executive Officer and Director and Michael Malana, Chief Financial Officer and Corporate Secretary. The directors of the Company who were not NEO’s during financial year ended September 30, 2021 were: Michael Sadhra, Desmond M. Balakrishnan, Christopher R. Cooper and Bala Pratap Reddy Udumala.

Michael Malana served as Chief Financial Officer and Corporate Secretary of the Company from May 1, 2019 to August 19, 2021. Zara Kanji was appointed Chief Financial Officer and Corporate Secretary on September 24, 2021.

Michael Sadhra who was appointed a director of the Company on March 8, 2019, resigned as a director on September 15, 2021.

During financial year ended September 30, 2020, based on the definition above, the NEOs of the Company were: Kulwant Malhi, Chairman, Chief Executive Officer and Director and Michael Malana, Chief Financial Officer and Corporate Secretary. The directors of the Company who were not NEO’s during financial year ended September 30, 2020 were: Michael Sadhra, Desmond M. Balakrishnan, Christopher R. Cooper and Bala Pratap Reddy Udumala.

**Table of Compensation, Excluding Compensation Securities
for financial years ended September 30, 2021 and September 30, 2020**

The Company changed its year end from December 31 to September 30. The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two financial years ended September 30, 2021 and September 30, 2020. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Information Circular.

Name and Principal Position	Year	Salary, management fee, director fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Kulwant Malhi ⁽¹⁾ Chairman, CEO and Director	2021	180,000	-	-	-	-	180,000
	2020	70,000 ⁽²⁾	-	-	-	-	70,000
Michael Sadhra ⁽³⁾ Former Director	2021	66,000	-	-	-	-	66,000
	2020	18,000 ⁽⁴⁾	-	36,000 ⁽⁴⁾	-	-	54,000
Bala Pratap Reddy Udumala ⁽⁵⁾ Director	2021	24,000	-	-	-	-	24,000
	2020	18,000	-	-	-	-	18,000
Michael Malana ⁽⁶⁾ Former CFO and Corporate Secretary	2021	88,000	-	-	-	-	88,000
	2020	72,000	-	-	-	-	72,000
Christopher R. Cooper ⁽⁷⁾ Director	2021	24,500	-	-	-	-	24,500
	2020	10,000	-	-	-	-	10,000
Desmond M. Balakrishnan ⁽⁸⁾ Director	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-

Notes:

- (1) Mr. Malhi was appointed Chairman and CEO of the Company on March 20, 2019. Mr. Malhi was appointed a director of the Company on March 8, 2019.
- (2) Fees were paid or accrued to Bullrun Capital Inc., a private company controlled by Mr. Malhi.
- (3) Mr. Sadhra was appointed a Director of the Company on March 8, 2019. Mr. Sadhra resigned as a director on September 15, 2021.
- (4) Fees were paid or accrued to Michael Sadhra Ltd., a private company controlled by Mr. Sadhra.
- (5) Mr. Udumala was appointed a Director of the Company on March 8, 2019.
- (6) Mr. Malana served as CFO and Corporate Secretary of the Company from May 1, 2019 to August 19, 2021.
- (7) Mr. Cooper was appointed a Director of the Company on April 29, 2020.
- (8) Mr. Balakrishnan was appointed a Director of the Company on April 29, 2020.

Stock Option Plan and Other Incentive Plans

Approval of New Form Share Option Plan

Shareholders of the Company ratified and approved the continuation of the Company’s 10% “rolling” share option plan dated for reference at the Company’s July 27, 2021 annual general meeting. A copy of this share option plan was attached as Schedule “C” to the Information Circular of the Company’s August 7, 2019 annual and special meeting.

The TSX Venture Exchange updated its Policy 4.4. - *Security Based Compensation*. effective on November 24, 2021. The changes to Policy 4.4 relate to, among other things, the expansion of the policy to cover a number of types of security based compensation in addition to stock options.

On August 18, 2022, the Board approved a new form of Stock Option Plan (the “**New Option Plan**”) in order to comply with the amendments to Policy 4.4 and to reflect current best practices.

The New Option Plan will supersede and replace the Company’s share option plan which was attached as Schedule “C” to the Information Circular of the Company’s August 7, 2019 annual and special meeting.

The TSX Venture Exchange has conditionally approved the New Option Plan, subject to shareholder approval. A copy of the New Option Plan is attached as Schedule B to this Information Circular, and will be presented to shareholders at the Meeting.

The New Option Plan is also a rolling share option plan pursuant to which up to 10% of the outstanding common shares (“**Common Shares**” or “**Shares**”) may be reserved for issue from time to time.

The New Option Plan has been conditionally approved by the TSX Venture Exchange, subject to receipt of shareholder approval at the Meeting.

The material terms of the New Option Plan are as follows:

- (a) Persons who are Service Providers, being a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers are eligible to receive grants of Options under the New Option Plan;
- (b) the maximum aggregate number of Common Shares that may be reserved for issuance under this Plan at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any Options under the Plan.
- (c) the New Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the TSX Venture, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSX Venture:
 - (i) the maximum number of Common Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the TSX Venture), any company that is wholly-owned by this Plan Participant under the New Option Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 5% of the issued Common Shares calculated on the date of grant;
 - (ii) the maximum number of Common Shares that may be issued to insiders collectively under the New Option Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 10% of the issued Common Shares calculated on the date of grant; and
 - (iii) the maximum number of Common Shares that may be issued to insiders collectively under the New Option Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Common Shares at any time.

For so long as such limitation is required by the TSX Venture, the maximum number of Options which may be granted within any twelve (12) month period to the New Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three month period. In addition, the maximum number of Common Shares that may be granted to any one consultant under the New Option Plan, together with any other security based compensation arrangements, within a twelve (12) month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.

Investor Relations Service Providers cannot receive any security based compensation other than Options.

- (d) the Exercise Price of an Option will be set by the Board at the time such Option is allocated under the New Option Plan, and cannot be less than the Discounted Market Price;
- (e) the term of an Option will be set by the Board at the time such Option is allocated under the New Option Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date;
- (f) Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the New Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period;
- (g) Options granted to Investor Relations Service Providers will vest such that:
 - (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
 - (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
 - (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
 - (d) the remainder of the Options vest no sooner than 12 months after the Options were granted;
- (h) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the Termination Date without right to exercise same;
- (i) all options granted shall be evidenced by written option agreements;
- (j) the Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
 - (a) the New Option Plan, together with any other Security Based Compensation Plans, could result at any time in:
 - i. the aggregate number of Common Shares reserved for issuance to Insiders exceeding 10% of the Outstanding Shares; or
 - ii. the aggregate number of Common Shares reserved for issuance to Insiders within any 12-month period exceeding 10% of the Outstanding Shares; or,
 - iii. the aggregate number of Common Shares reserved issuance to any one individual Participant or Service Provider, within any 12-month period, exceeding 5% of the Outstanding Shares;
 - (b) any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option held by an Insider at the time of the proposed amendment, is subject to disinterested shareholder approval in accordance with the policies of the TSX Venture;
- (k) amendments as reduce, and do not increase, the benefits of the New Option Plan to Service Providers any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option, held by an Insider at the time of the proposed amendment is subject to disinterested shareholder approval in accordance with the policies of the TSXV;

The New Option Plan also allows for option holders to exercise options on a "Cashless Exercise" or "Net Exercise" basis, as now expressly permitted by TSX Venture Exchange new Policy 4.4. "Cashless Exercise" is a method of exercising stock options in which a securities dealer loans funds to the option holder or sells the same shares as those underlying the option, prior to or in conjunction with the exercise of options, to allow the option holder to fund the exercise of some or all of their options. "Net Exercise" is a method of option exercise under which the option holder does not make any payment to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. Under TSX Venture Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to option exercise. "Net Exercise" may not be utilized by persons performing investor relations services.

Pursuant to section 4.4. of the New Option Plan, in the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in sections 2.2, 2.6 and 2.10 of the New Option Plan.

Pursuant to the Board's authority to govern the implementation and administration of the New Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the New Option Plan. There are currently NIL options under the Company's Option Plan.

In the event that the Shareholders do not approve the Amendments at the Meeting, the existing share option plan will remain in effect without the Amendments.

Refer to heading below “**PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of New Form Share Option Plan**”.

Approval of Amendments to Fixed Restricted Share Unit Plan

Shareholders of the Company ratified and approved the Company’s fixed restricted share unit plan dated for reference July 1, 2019 as amended on April 24, 2020 at the Company’s July 27, 2021 annual general meeting (the “**RSU Plan**”). A copy of the fixed restricted share unit plan was attached as Schedule C to the Information Circular to the Company’s July 27, 2021 annual general meeting.

Capitalized terms used below are not defined below and shall have the meanings ascribed thereto in the RSU Plan.

The RSU Plan is designed to provide certain directors, officers, employees, consultants and advisors of the Company and its related entities with the opportunity to acquire restricted stock units (“**RSUs**”) of the Company in order to enable them to participate in the long-term success of the Company. The purpose of the RSU Plan is to further promote a greater alignment of the interests of directors, officers, employees and consultants of the Company with the interests of the Shareholders. The Board (or such other committee the Board may appoint) is responsible for administering the RSU Plan.

RSUs will vest on terms established by the Board, or any Board committee appointed for such purpose and in accordance with Section 4.6 of TSX Venture Exchange Policy 4.4.

Maximum Number of Common Shares Issuable under RSU Plan

The RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a fixed maximum number Common Shares.

The RSU Plan provides that the maximum number of Common Shares issuable pursuant to the RSU Plan, will be a maximum of 2,211,186 Common Shares, and will not exceed an aggregate of 10% of the total number of issued and outstanding Common Shares at any time. RSUs to a maximum of 10% of the outstanding Common Shares of the Company may be granted to any one Eligible Person under the RSU Plan; and, in aggregate, a maximum of 5% of the outstanding Common Shares of the Company may be granted to any one Eligible Person in any 12 month period calculated on the grant date.

Under definition **Fair Market Value**, contains the method of calculation of the applicable Vesting Date Value and Award Payment.

Benefits of the RSU Plan

The RSU Plan is designed to be a long-term incentive for the directors, officers, employees, consultants and advisors of the Company. RSUs provide the Board (or a Board committee) with an additional compensation tool that can be used to help retain and attract highly qualified directors, officers and employees and further align the interests of directors, officers, employees and consultants of the Company with the interest of the Shareholders. It is intended to promote a greater alignment of interests between the Shareholders of the Company and the directors, officers, employees and consultants of the Company by providing an opportunity to participate in any increases to the value of the Company.

The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

Nature and Administration of the RSU Plan

All Directors, Officers, Employees, Consultants and Advisors (as defined in the RSU Plan) of the Company and its related entities (“**Eligible Persons**”) are eligible to participate in the RSU Plan (as “**RSU Plan Recipients**”), though the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the RSU Plan at any time. Eligibility to participate in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board (or a Committee delegated by the Board), may, from time to time, award RSUs to Eligible Persons. All RSUs awarded will be credited to an account maintained for each RSU Plan Recipient on the books of the Company as of each award date. The number of RSUs to be credited to each RSU Plan Recipient’s account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Each award of RSUs vests on the date(s) (each a “**Vesting Date**”) that is the later of the Trigger Date (defined below) and the date upon which the relevant performance condition or other vesting condition set out in the award has been satisfied,

subject to the requirements of the RSU Plan. Rights and obligations under the RSU Plan can be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any Company acquiring all or substantially all of the assets or business of the Company.

Payment of RSUs

Under the RSU Plan, the Company, in its discretion and as may be determined by the Board, will pay out vested RSU's by paying or issuing (net of any applicable withholding taxes) to a RSU Plan Recipient, on or subsequent to the Trigger Date and before the Expiry Date (as defined below) an award payout of either: (a) one Common Share for each whole vested RSU; and (b) a cash amount equal the fair market value of one Common Share (as determined in accordance with the RSU Plan) as at the Trigger Date (the "**Vesting Date Value**") of each whole vested RSU.

Fractional Common Shares will not be issued pursuant to the RSU Plan, and where a RSU Plan Recipient would be entitled to receive a fractional Common Share in respect of a fractional vested RSU, the Company shall pay to such RSU Plan Recipient, in lieu of such fractional Common Share, cash value equal to the Vesting Date Value of such fractional Common Share.

Cancellation on Termination for Cause

Unless the Board at any time otherwise determines, all unvested RSUs held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause.

For greater certainty, if a contrary determination is made at the time of the grant of the Unit Award by the Board as to vesting following termination, notwithstanding such authority of the Board, any unvested Unit Awards must vest not later than twelve (12) months following the date of termination.

Retirement, Total Disability, Death and Termination without Cause

Generally, if an RSU Plan Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Recipient ceases to be an Eligible Person:

- Retirement of a Recipient;
- death or Total Disability of a Recipient; and
- the Termination of employment or removal from service by the Company or a Related Entity without cause.

The number of Common Shares available for reserve under the RSU Plan is a fixed number. Any Share subject to a Restricted Share Unit, which has been cancelled or terminated in accordance with the terms of the Plan without being paid out as provided for in the RSU Plan, shall again be available under the Plan.

Change of Control

In the event of a Change of Control (as defined in the RSU Plan), all RSUs credited to an RSU Plan Recipient vest on the date on which the Change of Control occurs. Within thirty (30) days after the date on which the Change of Control Occurs, the RSU Plan Recipient must receive a cash payment equal to (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deducted required by law to be withheld by the Company.

Adjustments

In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of Restricted Share Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

Vesting

The Board has the discretion to grant RSUs to Eligible Persons as the Board determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the Performance Conditions (as defined in the RSU Plan) if any. RSUs vest on the date that is the later of (a) the date set by the Board at the time of the grant or if no date is set then December 1 of the

third calendar year following the date of the grant (the “**Trigger Date**”), and (b) the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

RSUs only vest on the Trigger Date to the extent that the Performance Conditions have been satisfied on or before the Trigger Date, and no RSU will remain outstanding for any period which exceeds the expiry date (which shall be December 31 of the third calendar year after the date of grant, or such earlier date as may be established by the Board (the “**Expiry Date**”).

The Board may accelerate the Trigger Date of any RSU at its election.

Limitations on Restricted Share Units to any One Person and to Insiders

Notwithstanding any other provision of the RSU Plan, but subject to RSU grants approved by the disinterested shareholder of the Company or other requirements of applicable Stock Exchange policies, the RSU Plan includes the following restrictions on issuance:

- a) the maximum number of Common Shares which may be reserved for issuance to Insiders (as a group) under the RSU Plan together with any other Share Compensation Arrangement (as defined in the RSU Plan), may not exceed 10% of the number of issued Common Shares;
- b) the maximum number of RSUs that may be granted to Insiders (as a group) under the RSU Plan together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the number of issued Common Shares calculated on the Grant Date;
- c) the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the number of Common Shares calculated on the Grant Date;
- d) the maximum number of Shares which may be reserved for issuance to any one Eligible Person under the Plan, at any time, in any 12-month period, in the aggregate, may not exceed 2% of the total number of issued Shares; and
- e) if the Company is listed on the Stock Exchange, no grant of Restricted Share Units may be made to any person providing Investor Relations Activities to the Company.

The respective limits set out above may be exceeded: (a) if the Common Shares are listed for trading on the TSXV, on a case-by-case basis, upon the approval of disinterested shareholder of the Company; or (b) if the Shares are not listed for trading on the TSXV, in accordance with the applicable Stock Exchange policies.

Limitation on Issuance of Shares to Insiders

Notwithstanding anything in the RSU Plan, the Company shall not issue Common Shares under the RSU Plan to any Eligible Person who is an Insider of the Company where such issuance would result in:

- a) the total number of Common Shares issuable at any time under the RSU Plan to Insiders, or when combined with all other Shares issuable to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and
- b) the total number of Shares that may be issued to Insiders during any one year period under the RSU Plan, or when combined with all other Common Shares issued to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis.

Amendment or Termination of RSU Plan

Subject to the requirements of applicable laws, the Board may amend or terminate the RSU Plan at any time, but the consent of the RSU Plan Recipient is required for any such amendment that adversely affects the rights of the RSU Plan Recipient, unless the amendment or termination is required by law. A termination of the RSU Plan will not accelerate the vesting of RSUs or the time in which a RSU Plan Recipient would otherwise be entitled to receive payment in respect of the RSUs. The RSU Plan herein shall become effective on the date on which it is approved by the shareholders.

Any grants under the Option Plan would be considered in the limitations under the RSU Plan.

Amendments made to RSU Plan

On August 18, 2022, the Board approved certain amendments (the "**Amendments**") to the Company's RSU Plan to update existing or add new provisions to the RSU Plan in accordance with the requirements of Section 5.2(j) of the new Policy 4.4 of the TSX Venture Exchange Corporate Manual which came into effect on November 24, 2021.

The fixed restricted share unit plan, amended on August 18, 2022, will supersede and replace the Company's RSU Plan which was attached as Schedule C to the Company's July 27, 2019 annual general meeting Information Circular. There are currently NIL outstanding RSUs under the Company's RSU Plan.

The TSX Venture Exchange has conditionally approved the amendments to the fixed restricted share unit plan (the "**Amended and Restated RSU Plan**"), subject to shareholder approval.

Below are the material Amendments made to the Amended and Restated RSU Plan:

Attached as Schedule C to this Information Circular, is a copy of the Company's Amended and Restated RSU Plan.

In the event that the Shareholders do not approve the Amendments at the Meeting, the existing RSU Plan will remain in effect without the Amendments.

1. added the following new definitions

Account, Award Notice, Payment Amount,

2. definition of "Associate" has been amended;

3. Amended number of shares reserved;

4. Section 3.9 under heading Added a new provision under heading Vesting whereby no Restricted Share Unit Award may vest before the first anniversary of the grant date of such Restricted Share Unit Award, provided that acceleration of vesting may be expressly permitted by this RSU Plan for an Eligible Person who dies or who ceases to be an Eligible Person under this RSU Plan in connection with a change of control, take-over bid, RTO (as defined in TSXV Policy 1.1) or similar transaction.

5. Section 3.5 heading Dividend Equivalents has been renamed Credits for Dividends and this section has been amended as to calculation of additional RSUs to be credited to an Eligible Person's Account.

6. Section 3.10 heading Section 3.10 Adjustments and Reorganizations has been updated amended in that the Committee may in its discretion deem appropriate (taking into account any tax consequences to the extent considered relevant by the Committee) to preserve the Account of each Eligible Person and the RSUs outstanding under this Plan shall be adjusted in such manner, if any, as the Committee may in its discretion deem appropriate to preserve, proportionally, the interests of Eligible Persons under this Plan. For greater certainty and notwithstanding any other provision of this Plan, in no event shall an Eligible Person be or become entitled to receive any amount of cash from the Company. Any adjustment, other than in connection with a security consolidation or security split, to Security Based Compensation granted or issued under a Security Based Compensation Plan must be subject to the prior acceptance of the TSXV, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

7. Section 4.3 Cancellation on Termination for Cause has been amended with an additional provision in that for greater certainty, if a contrary determination is made at the time of the grant of the Unit Award by the Board as to vesting following termination, notwithstanding such authority of the Board, any unvested Unit Awards must vest not later than twelve (12) months following the date of termination.

8. Section 4.5 Change of Control has been amended with the addition of a new provision:

Any adjustment, other than in connection with a security consolidation or security split, to Security Based Compensation granted or issued under a Security Based Compensation Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

9. Section 5.5 heading Amendments to RSU Plan has been renamed Amendment, Suspension or Termination to RSU Plan) has been amended, one of the amendments stating that the Company will be required to obtain the disinterested shareholder approval for any amendment of this Plan related to:
- (i) the number or percentage issued and outstanding Shares available for grant under this Plan;
 - (ii) a change in method of calculation of redemption of RSUs held by Eligible Persons; and
 - (iii) an extension to the term for redemption of RSUs held by Eligible Persons;

Refer to heading below “**PARTICULARS OF MATTERS TO BE ACTED UPON – Shareholder Approval of Amended and Restated Fixed Restricted Share Unit Plan**”.

Stock Options and Other Compensation Securities

Outstanding Compensation Securities

Stock Options and Other Compensation Securities

There were no compensation securities outstanding (Option-Based Awards and Share-Based Awards) to the NEOs and Directors who were not NEOs of the Company for financial year ended September 30, 2021.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by any of the NEOs or directors who were not NEOs of the Company for financial year ended September 30, 2021 and September 30, 2020.

External Management Companies

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

Employment, Consulting and Management Agreements

Management of the Company is performed by the directors and officers of the Company and not by any other person.

There are no plans in place with respect to compensation of the Named Executive Officers in the event of a termination of employment without cause or upon the occurrence of a change of control.

Oversight and Description of Director and NEO Compensation

The Company’s board of directors (the “**Board**”) has established a compensation committee (the “**Compensation Committee**”) whose mandate is to assist the Board in the review and approval of executive compensation matters. The Compensation Committee is responsible for (1) reviewing and recommending to the Board the compensation of the Executive Chairman, Chief Executive Officer and senior management members of the Company, including salary, short term and long term incentives and other direct and indirect benefits; (2) reviewing the compensation of directors; (3) overseeing the administration of the Company’s compensation plans; and (4) approving the employment contracts of the Executive Chairman, Chief Executive Officer and senior management members. Final approval of all compensation matters relating to the Executive Chairman, Chief Executive Officer and senior management members of the Company rests with the full Board.

When determining compensation, and evaluating the competitiveness of the Company’s compensation program, the Company periodically obtains industry reports and general compensation surveys conducted by independent consultants which provide comparative information. The Compensation Committee also reviews the compensation practices and levels of executive compensation for other peer group companies (as determined by the Compensation Committee). The Compensation Committee reviews this comparative data, in conjunction with its own review of the Company’s performance and executive performance, and thereafter recommends to the Board the compensation package payable to the Company’s executive officers for the Board’s review and approval.

The Compensation Committee does not set specific performance objectives in assessing the performance of the Executive Chairman, Chief Executive Officer and the Chief Financial Officer; rather the Compensation Committee uses its experience and judgment in determining an overall compensation package for such executive officers.

Compensation awards to senior management of the Company’s foreign subsidiaries has been determined by senior management of the Company having regard to executive compensation practices and levels in the applicable foreign jurisdiction. The Board periodically reviews the mandate of all committees including the Compensation Committee.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Philosophy and Objectives

Compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, which are:

- to attract and retain qualified and effective executives;
- to motivate the short and long-term performance of these executives; and
- to align their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan and restricted share unit plan.

Base Salary

In the Board’s view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company’s stock option plan and restricted share unit plan. Stock options and restricted share units are granted to senior executives and employees taking into account a number of factors, including the amount and term of options or restricted share units previously granted, base salary and bonuses and competitive factors.

Compensation Review Process

Base Salary or Consulting Fees

In the Board’s view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

Related Party Transactions

The Company’s related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

For financial years ended September 30, 2021 and September 30, 2020, remuneration to the Company’s related parties was as follows:

Amounts are expressed in thousands of Canadian dollars		Financial Year ended September 30, 2020		Financial Year Ended September 30, 2021
Short-Term Employee Benefits ⁽¹⁾	\$	338,000		\$ 224,000
Rent		36,000		27,000
Professional and Consulting Fees		95,000		31,000
		519,000		282,000

Note:

⁽¹⁾ Includes directors’ fees, consulting fees, management fees, termination benefits, salaries and bonuses. Includes amounts for former directors, former CFO and former CEO.

Benefits and Perquisites

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. Limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended, to assist with their out-of-pocket expenses.

Pension Disclosure

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has two equity compensation plans: i) a 10% “rolling” share option plan and ii) a fixed restricted share unit plan, as described in this Information Circular.

Equity Compensation Plans Information

The following table sets out equity compensation plan information of issued and outstanding share capital of 229,193,914 common shares at September 30, 2021.

	Number of securities to be issued upon exercise of outstanding options and restricted share units	Weighted-average exercise price of outstanding option and restricted share units	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders – Stock Option Plan and Restricted Share Unit Plan	Nil Options 10,000,000 RSUs	\$N/A Options \$N/A RSUs	22,919,391 Options 10,000,000 RSUs
Equity compensation plans not approved by security holders – N/A	N/A	N/A	N/A
Total	Nil Options 10,000,000 RSUs		22,919,391 Options 10,000,000 RSUs

Equity Compensation Plans Information

The following table sets out equity compensation plan information of issued and outstanding share capital of 210,363,145 common shares at September 30, 2020.

	Number of securities to be issued upon exercise of outstanding options and restricted share units	Weighted-average exercise price of outstanding options and restricted share units	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders – Stock Option Plan and Restricted Share Unit Plan	Nil Options 10,000,000 RSUs	\$N/A Options \$N/A RSUs	21,036,315 Options 10,000,000 RSUs
Equity compensation plans not approved by security holders – N/A	N/A	N/A	N/A
Total	Nil Options 10,000,000 RSUs		21,036,315 Options 10,000,000 RSUs

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than set out in this Information Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year ended September 30, 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

“**Informed Person**” means:

- (i) a director or executive officer of the Company;
- (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (iv) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

To the knowledge of management of the Company, other than as set out below, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any interest, director or indirect, in any transaction since the commencement of the Company’s financial year ended September 30, 2021 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Non-Brokered Private Placement

The Company closed a non-brokered private placement for the purchase of 18,830,769 units at a unit price of \$0.065, with a whole warrant to purchase a total of 18,830,769 warrants at a warrant exercise price of \$0.08 expiring on July 23, 2026.

Effective on November 29, 2021, the Company’s Common Shares were consolidated at a ratio of ten (10) pre-consolidation common shares, for one (1) new post-consolidated common share.

The following Insiders of the Company purchased units in this private placement, with outstanding warrants as follows: 1) Kulwant Malhi (11,133,846 warrants pre-consolidation/1,113,385 units post-consolidated at an exercise price of \$0.08 pre-consolidation/\$0.80 post-consolidated, expiring on July 23, 2026; 2) 10% shareholder, Rauni Malhi (7,696,923 warrants pre-consolidation/769,692 units post-consolidated at an exercise price of \$0.08 pre-consolidation/\$0.80 post-consolidated), expiring on July 23, 2026.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Ratification of New Form Share Option Plan

As described in this Information Circular above, under heading **Stock Options and Other Compensation Securities**, on August 18, 2022, the Board adopted a new form share option plan. The TSX Venture Exchange conditionally approved the new form share option plan, subject to receipt of shareholder approval at the Meeting.

Shareholder Resolution

At the Meeting, shareholders will be asked to ratify, confirm and approve the adoption of the Company’s new share option plan by way of an ordinary resolution of disinterested shareholders. The resolution, the text of which is set out below, is subject to a simple majority of votes of the Shareholders, excluding the votes cast by Insiders of the Company eligible to receive options under the new form share option plan, or associates of such persons which, as at August 12, 2022, the record date, total 3,875,839 Common Shares. All other Shareholders of the Company are entitled to vote on this resolution.

The full text of the resolution is set out below.

“BE IT RESOLVED as an ordinary resolution of disinterested shareholders, with or without variation, that:

- (a) the Company’s share option plan (“**New Share Option Plan**”) as described in the Company’s Information Circular dated for reference August 18, 2022, be and is hereby ratified, confirmed and approved;
- (b) subject to the effectiveness of the New Share Option Plan, all existing stock options of the Company’s current share option plan shall be governed by the terms of the New Share Option Plan;
- (c) the board of directors of the Company (the “**Board**”) or any committee thereof be and is hereby authorized, in its absolute discretion, to administer the New Share Option Plan and amend or modify the New Share Option Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange;
- (d) the Company is hereby authorized to allot and issue as fully paid and non-assessable that number of Common Shares granted to eligible Participants under the New Share Option Plan;
- (e) option holders under the New Share Option Plan are permitted to exercise options on a “Cashless Exercise” or “Net Exercise” basis, with the exception of persons performing investor relation services;
- (f) any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds, and things and execute, under the seal of the Company or otherwise, all such documents as may be required to give effect to this resolution; and
- (g) to the extent permitted by law, the Company be authorized to abandon all or any part of the New Share Option Plan if the Board deems it appropriate and in the best interest of the Company to do so.”

The directors of the Company unanimously recommend that shareholders vote in favour of the New Share Option Plan.

IT IS INTENDED THAT THE CLASS A COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE ABOVE NEW OPTION PLAN RATIFICATION RESOLUTION.

B. Shareholder Approval of Amended and Restated Fixed Restricted Share Unit Plan

As described above, the Company further amended on August 18 2022, its fixed restricted share unit plan. Attached as Schedule C to this Information Circular is a copy of the Company’s fixed restricted share unit plan dated for reference July 1, 2019, as amended on April 24, 2020 and as further amended on August 18, 2022 (the “**Amended and Restated RSU Plan**”). The amendments to the Amended and Restated RSU Plan, reflect changes required to comply with the requirements of the New TSXV Policy 4.4. The TSX Venture Exchange conditionally approved the Amended and Restated RSU Plan, subject to receipt of shareholder approval at the Meeting.

Shareholder Resolution

At the Meeting, shareholders will be asked to approve an ordinary resolution of disinterested shareholders, of the Amended and Restated RSU Plan. The resolution, the text of which is set out below, is subject to a simple majority of votes of the Shareholders, excluding the votes cast by Insiders of the Company eligible to receive restricted share units under the Amended and Restated RSU Plan, or associates of such persons which, as at August 12, 2022, the record date, total 3,875,839 Common Shares. All other Shareholders of the Company are entitled to vote on an ordinary resolution of disinterested shareholders, with or without variation, the Amended and Restated RSU Plan, the text of which is as follows:

“BE IT RESOLVED as an ordinary resolution of disinterested shareholders, with or without variation, that the amendments to the Company’s Amended and Restated RSU Plan, as described in the Circular dated August 18, 2022, be and are hereby confirmed, ratified and approved.”

The Board recommends that Shareholders vote in favour of the Amended and Restated RSU Plan. In the absence of contrary instructions, the persons named in the accompanying Proxy intend to vote any Shares represented by such Proxies held by them FOR the approval of the Amended and Restated RSU Plan Resolution.

C. Shareholder Approval Amended and Restated Fixed Restricted Share Unit Plan Increase

The Company effected a share consolidation on November 29, 2021, at a share ratio of ten (10) pre-consolidation common shares for one (1) new post-consolidated common share. Prior to the share consolidation, the maximum number of common shares available for grant under the Company’s fixed restricted share unit plan was 10,000,000 common shares. Post consolidation, the maximum number of common shares was reduced to a total maximum of 1,000,000 common shares.

In order to provide incentive to directors, officers, employees, management and others providing services to the Company to act in the Company's best interests, the Company proposes that the number of Common Shares reserved for restricted share unit awards under the Company's fixed restricted share unit plan, be increased by an additional 1,211,186 Common Shares, to a total maximum of 2,211,186 Common Shares (10% of the issued and outstanding 22,111,859 common shares at August 12, 2022 record date). As of the date of this Information Circular, there are NIL outstanding restricted share units. The TSX Venture Exchange has conditionally approved this increase, subject to receipt of shareholder approval at the Meeting.

Shareholder Resolution

Shareholders will be asked to approve an ordinary resolution of disinterested shareholders, to an increase in the number of Common Shares authorized to be reserved for issuance under the Company's fixed restricted share unit plan, as further amended on August 18, 2022.

The resolution, the text of which is set out below, is subject to a simple majority of votes of the Shareholders, excluding the votes cast by Insiders of the Company eligible to receive restricted share units under the Fixed Restricted Share Unit Plan or associates of such persons which, as at August 12, 2022, the record date, total 3,875,839 Common Shares. All other Shareholders of the Company are entitled to vote on this resolution.

"BE IT RESOLVED as an ordinary resolution of disinterested shareholders of the Company, with or without variation, that the number of Common Shares reserved for restricted share unit awards under the Company's Fixed Restricted Share Unit Plan, as last amended and restated on August 18, 2022, be increased by an additional 1,211,186 Common Shares, to a total maximum of 2,211,186 Common Shares and the Fixed RSU Plan, as amended, be approved, ratified and confirmed."

The Board recommends that disinterested shareholders vote in favour of the above resolution.

D. Royalty Purchase Agreement

Background to Royalty Purchase Agreement

On July 31, 2022, the Company entered into a royalty purchase agreement, which was subsequently amended and restated on August 17th, 2022 (the "**Purchase Agreement**") with BullRun Capital Inc. ("**BullRun**"). Pursuant to the Purchase Agreement, the Company agreed to acquire (the "**Acquisition**") a one percent (1%) net smelter returns royalty (the "**NSR Royalty**") from the production and sale of minerals from 68 mineral claims covering 1,405 acres located in the Mackinaw Mining District, approximately 16 miles west of the town of Salmon in the State of Idaho, USA (the "**Property**"). As consideration for the acquisition of the NSR Royalty, the Company has agreed to pay BullRun cash consideration in an amount equal to the lower of (i) the amount of a formal valuation prepared by an independent valuator of the NSR Royalty, and (ii) USD\$2,500,000. The Company has formally engaged an independent valuator and anticipates receiving a formal valuation on the NSR Royalty by August 31, 2022. The NSR Royalty is subject to a right of first refusal (the "**ROFR**") held by a wholly-owned subsidiary of Revival Gold Inc. which has sixty (60) days to elect by written notice to BullRun to purchase the NSR Royalty on the same terms and conditions as set forth in the Purchase Agreement. In the event Revival does not exercise the ROFR, BullRun is free to sell the NSR Royalty in accordance with the terms and conditions specified in the Purchase Agreement. The completion of the Acquisition is also subject to customary closing conditions including, but not limited to, the receipt of all required Governmental Approvals (including TSXV approval).

Prior Valuations

There are no "prior valuations" (as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")) in respect of the NSR Royalty that have been made in the 24 months prior to the date hereof and the existence of which is known, after reasonable inquiry, to the Company or to any directors or senior officers of the Company.

Previous Offers

Neither the Company nor any director or senior officer of the Company, after reasonable inquiry, is aware of any other prior offer that relate to the NSR Royalty during the 24 months before the date hereto.

Disinterested Shareholder Approval

Kulwant Malhi, the Chairman, a Director and the Chief Executive Officer of the Company, is the sole shareholder and director of BullRun. Accordingly, the Acquisition is considered a "related party transaction" for the purposes of MI 61-101 and TSXV Policy 5.9. Therefore, the Acquisition is subject to the approval by an ordinary resolution (the "**Disinterested Shareholder Approval**") of the shareholders of the Company, excluding the votes attached to the Common Shares owned or controlled

by Kulwant Malhi (the “**Disinterested Shareholders**”). The 1,038,893 Common Shares which are owned or controlled by Kulwant Malhi will be excluded from voting in determining whether Disinterested Shareholder Approval has been obtained in accordance with MI 61-101.

Formal Valuation Exemption

As discussed above, the Acquisition constitutes a “related-party transaction” under MI 61-101, which in the absence of a valuation exemption would require the Company to obtain a formal valuation of the NSR Royalty by independent qualified valuers. However, the Acquisition is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Section 5.5(b) of such instrument, as none of the Company’s securities are listed or quoted on a “specified market”, namely, the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets plc. Nevertheless, the Company will be obtaining a formal valuation prepared by an independent valuator in accordance with the terms and conditions of the Purchase Agreement.

Independent Board Recommendation

Mr. Cooper, Mr. Udumala, and Mr. Balakrishnan do not have any interest in the Acquisition, and have reviewed and considered the Acquisition as the “Independent Directors”. After reviewing the terms of the Purchase Agreement giving due consideration to the best interests of the Company and the impact on Shareholders and the Company’s other stakeholders, Mr. Cooper, Mr. Udumala, and Mr. Balakrishnan unanimously concluded that the Acquisition is in the best interests of the Company, and that the terms of the proposed transaction are reasonable in the circumstances of the Company.

Factors Considered by Independent Directors

The Independent Directors of the Board have determined that the Acquisition is in the best interests of the Company. The following summary of the information and factors considered by the Independent Directors is not intended to be exhaustive, but includes a summary of the material information and factors considered in recommending the approval of the Acquisition:

- the Acquisition of the Royalty fits within the Company’s investment strategy which includes providing financing for royalties;
- the Independent Directors believe that the terms of the Acquisition are reasonable and are no less advantageous to the Company than if a similar asset was acquired from an arm’s length vendor;
- the Property resides in the stable, mining friendly jurisdiction of Idaho, USA;
- news released by Revival Gold Inc., the owner of the Property, shows promising exploration results on the Property; and
- the Company is currently in a positive financial position with over \$5,000,000 in cash as at March 31, 2022.

In view of the wide variety of factors considered by the Independent Directors, the Independent Directors did not find it practical to, and therefore did not, quantify or otherwise assign relative weight to specific factors in making its determination. The conclusions and recommendations of the Independent Directors were made after consideration of all of the above-noted factors in light of the collective knowledge of the members thereof of the operations, financial condition and prospects of the Company.

The resolution, the text of which is set out below, is subject to a simple majority of votes of the Shareholders, excluding the votes cast by Kulwant Malhi or associates of Kulwant Malhi, which, as at August 12, 2022, the record date, total 1,038,893 Common Shares. All other Shareholders of the Company are entitled to vote on this resolution.

Shareholder Resolution

At the Meeting, the Disinterested Shareholders will be asked to consider and if thought fit, to approve the following ordinary resolution approving the Acquisition (the “**Acquisition Resolution**”):

“BE IT RESOLVED THAT:

1. the Acquisition, all as more particularly described and set forth in the Circular, is hereby authorized and approved;
2. the Company is authorized to perform its obligations under the Purchase Agreement, as more particularly described in the Circular;

3. notwithstanding that these resolutions have been duly passed by the Disinterested Shareholders, the board of directors of the Company may amend or decide not to proceed with the Acquisition or revoke these resolutions at any time prior to completion of the Acquisition without further approval of the Disinterested Shareholders; and
4. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents, applications, declarations and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

The Independent Members of the Board believe that the Acquisition is in the best interests of the Company and therefore recommend that the Disinterested Shareholders vote in favour of the Acquisition Resolution. Management does not have any alternative plans in the event Disinterested Shareholder Approval is not obtained for the Acquisition. In the event approval is not obtained, the Company will not proceed with the Acquisition.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found in the Company's audited consolidated financial statements for financial years ended September 30, 2021 and September 30, 2020, the accompanying auditor's report and related management's discussion and analysis, and additional copies of this information may be obtained from SEDAR at www.sedar.com and upon request from the Company at Suite 106, 1045 West 8th Avenue, Vancouver, British Columbia, Canada V6H 1C3 Tel.: 604 805-4602. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board of the Company.

DATED at Vancouver, British Columbia, August 18, 2022.

BY ORDER OF THE BOARD

/s/ "Kulwant Malhi"

Kulwant Malhi
Chief Executive Officer

SCHEDULE A

AUDIT COMMITTEE CHARTER

COLOURED TIES CAPITAL INC. (FORMERLY GROWMAX RESOURCES CORP.) ("CHARTER")

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE (THE "CORPORATION")

I. PURPOSE

The primary function of the Audit Committee (the "Committee") is to assist the board of directors ("Board") in fulfilling its oversight responsibilities by reviewing:

- A. the financial information that will be provided to the shareholders and others;
- B. the systems of internal controls, management and the Board have established; and
- C. all external audit and review processes.

Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is reviewed by the Board.

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three (3) directors, a majority of whom must be independent (unless the Board determines in its reasonable judgement that (i) the member is able to exercise the impartial judgment necessary for the member to fulfil his or her responsibilities as a Committee member, and (ii) the appointment of the member is required by the best interests of the Corporation and its shareholders) and financially literate as those terms are defined in National Instrument 52-110, Audit Committees and possess:
 - 1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
 - 2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
 - 3. 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 one or more individuals engaged in such activities; and
 - 4. an understanding of internal controls and procedures for financial reporting.
- B. The Corporation's auditor shall be advised of the names of the Committee members and will receive notice of and be invited to attend meetings of the Committee, and to be heard at those meetings on matters relating to the auditor's duties.
- C. The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.
- D. The Committee shall meet at least once (by person or by teleconference) in each fiscal quarter to review and approve the Corporation's quarterly financial statements and managements' discussion and analysis ("MD&A") for the immediately preceding fiscal quarter and to review and recommend approval by the full Board of the annual financial statements and MD&A for the immediately preceding fiscal year and as often thereafter as required to discharge the duties of the Committee.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the following duties:

A. Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

1. review and recommend approval of the Corporation's annual financial statements and MD&A and report to the Board before the statements are approved by the Board;
2. review and approve for release the Corporation's quarterly financial statements, MD&A and press release; and
3. review the Annual Information Form, any Prospectus or private placement offering document and any other material financial information required by applicable regulatory authorities.

Review and discuss:

4. the appropriateness of accounting policies and financial reporting practices used by the Corporation;
5. any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation; and
6. any new or pending developments in accounting and reporting standards that may affect the Corporation.

Be satisfied that:

7. adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure previously referred to and periodically assess the adequacy of those procedures.

B. Risk Management, Internal Control and Information Systems

The Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

1. review the Corporation's risk management controls and policies;
2. consider whether the information systems appear to be reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor; and
3. review management steps to implement and maintain appropriate internal control procedures including a review of policies.

C. External Audit and Review

The Committee will oversee the work of the external auditor and will review the planning and results of external audit activities. This includes:

1. review and recommend to the Board, for shareholder approval, engagement of the external auditor;
2. review and recommend to the Board the external auditor's compensation;
3. review the annual external audit plan, including but not limited to the following:
 - (a) engagement letter
 - (b) objectives and scope of the external audit work;
 - (c) procedures for quarterly review of financial statements;
 - (d) materiality limit;

- (e) areas of audit risk;
 - (f) staffing;
 - (g) timetable; and
 - (h) proposed fees.
4. meet with the external auditor to discuss the Corporation's annual financial statements and MD&A (and the quarterly financial statements and MD&A if deemed necessary) and the auditor's report including the appropriateness of accounting policies and underlying estimates and resolve any disagreements between management and the external auditors regarding financial reporting;
 5. implement procedures to meet with the external auditor on a regular basis in the absence of management if deemed necessary;
 6. review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including:
 - (a) any difficulties encountered, or restriction imposed by management, during the annual audit;
 - (b) any significant accounting or financial reporting issue;
 - (c) if completed, the auditor's evaluation of the Corporation's system of internal controls, procedures and documentation or parts thereof;
 - (d) the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
 - (e) any other matters the external auditor brings to the Committee's attention; and
 - (f) assess the qualifications, performance and independence of the external auditor and consider the annual appointment of external auditor for recommendation to the Board.
 7. review the auditor's report, if any, on all material subsidiaries;
 8. review and receive assurances on the independence of the external auditor;
 9. review and pre-approve all non-audit services to be provided by the external auditor's firm or its affiliates (including estimated fees), and consider the effect on the independence of the external audit;
 10. meet periodically, and at least annually, with the external auditor without management present; and
 11. take reasonable steps to ensure that, prior to public disclosure of the Corporation's annual financial statements and MD&A, the external auditor is a participating audit firm and is in compliance with any restriction or sanction imposed by the Canadian Public Accountability Board under National Instrument 52-108, Auditor Oversight.

D. Other

The Committee will also:

1. review policies and procedures for the review and approval of officers' expenses and perquisites;
2. periodically review the terms of reference for the Committee and make recommendations to the Board as required;
3. establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- 4. review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation; and
- 5. make enquires about potential claims, assessments and other contingent liabilities.

IV. ACCOUNTABILITY

- A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on financial matters relative to the Corporation.
- B. The Committee shall report its discussions to the Board by providing an oral report at the next Board meeting.

COMMITTEE TIMETABLE

A proposed timetable of the Committee meetings shall be prepared at the beginning of each fiscal year.

RELIANCE ON EXPERTS

In contributing to the Committees' discharging of its duties under this mandate, each member shall be entitled to rely in good faith on:

- A. financial statements of the Corporation represented to the member by an officer of the Corporation, or in a written report of the external auditor, to present fairly the financial position of the Corporation and the results of its operations in accordance with generally accepted accounting principles; and
- B. any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The Board is of the view that monitoring of the Corporation's financial reporting and disclosure policies and procedures cannot be reasonably met unless the following activities (the "**Fundamental Activities**") are, in all material respects, conducted effectively:

- C. the Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions;
- D. the internal financial controls are regularly assessed for effectiveness and efficiency;
- E. the Corporation's quarterly and annual financial statements and MD&A are properly prepared by management in accordance with generally accepted accounting principles; and
- F. the annual financial statements are reported on by an external auditor appointed by the shareholders of the Corporation.

LIMITATION OF COMMITTEE'S DUTIES

In contributing to the Committee's discharging of its duties under these terms of reference, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in these terms of reference is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to endeavour to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the objectives of the Corporation's financial reporting are being met and to enable the Committee to report thereon to Board.

SCHEDULE B
NEW FORM SHARE OPTION PLAN

COLOURED TIES CAPITAL INC.
(the “Company”)

SHARE OPTION PLAN

Dated for Reference August 18, 2022

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

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

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Black-out Period** means a period during which a restriction has been formally imposed by the Company, 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 Options, provided that any Black-out Period must expire following the general disclosure of the undisclosed material information;
- (c) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (d) **Cause** means “Just Cause” as defined in the Participant’s employment agreement or agreement for services with the Company or one of its Affiliates, or if such term is not defined or if the Participant has not entered into an employment agreement or agreement for services with the Company or one of its Affiliates, then any circumstance that would permit the Company to terminate a Participant’s employment or agreement for services without notice of termination, or payment in lieu of notice of termination, severance pay or benefits continuation under the applicable law;
- (e) **Change of Control** means the occurrence of any of:
 - (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any of its affiliates or subsidiary) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (British Columbia)) of, or

acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);

(iii) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);

(iv) a majority of the Board consists of individuals which management of the Company has not nominated for election or appointment as directors; or

(v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or any of its subsidiaries) or Company that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the Company, as the case may be; and

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;

(i) **Date of Termination** means, for a Participant, the last day that the Participant actively provides services to the Company without regard to any notice of termination or pay in lieu of notice thereof, deemed or notional notice period, or period during which the Participant receives pay in lieu of notice, termination pay, severance payments, or salary continuance, whether pursuant to statute, agreement, common law or otherwise;

- (j) **Director** means a director (as defined under applicable securities laws) of the Company or any of its subsidiaries;
- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** has the meaning assigned by Policy 4.4 Sections 5.3(b) and (c) of the TSX Venture Policies;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
 - (i) an individual who is considered an employee of the Company or of its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary 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 Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Service Provider** means 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;

- (u) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (v) **Management Company Employee** means an individual employed by a company providing management services to the Company which services are required for the ongoing successful operation of the business enterprise of the Company;
- (w) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (x) **Officer** means an officer (as defined under applicable securities laws) of the Company or any of its subsidiaries;
- (y) **Option** means the right to purchase Common Shares granted hereunder to a Participant under this Security Based Compensation Plan;
- (z) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Participant and substantially in the form of Schedule A attached hereto;
- (aa) **Optioned Shares** means Common Shares that may be issued in the future to a Participant upon the exercise of an Option;
- (bb) **Optionee** means the recipient of an Option hereunder;
- (cc) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (dd) **Participant** means a Service Provider that is the recipient of Security Based Compensation granted or issued by the Company;
- (ee) **Person** includes a company, any unincorporated entity, or an individual;
- (ff) **Plan** means this security based share option plan, the terms of which are set out herein or as may be amended;
- (gg) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under this Plan as provided in §2.2;
- (hh) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over this Plan and any Options issued hereunder;
- (ii) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (jj) **Security Based Compensation** has the meaning given to such term in TSX Venture Policy 4.4 – *Security Based Compensation*;
- (kk) **Security Based Compensation Plan** has the meaning given to such term in TSX Venture Policy 4.4 – *Security Based Compensation*;

(ll) **Service Provider** means a Person who is a Director, Officer, Employee, Management Company Employee, or Consultant of the Company or its Affiliates, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(mm) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(nn) **Take Over Bid** means a take over bid as defined in National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(oo) **TSX Venture** means the TSX Venture Exchange and any successor thereto;

(pp) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time; and

(qq) **VWAP** means the volume-weighted average trading price of the Common Shares on the TSX Venture calculated by dividing the total value by the total volume of the Common Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the TSX Venture may exclude internal crosses and certain other special terms trades from the calculation.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in this Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 This Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Common Shares that may be reserved for issuance under this Plan at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any Options under this Plan.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Participants from time to time by the Board. Participants that are not individuals will be required to undertake in writing not to

effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under this Plan

2.4 All Options granted under this Plan will be evidenced by an Option Commitment substantially in the form attached as Schedule A (or in such other form as determined by the Company) showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Participation

2.6 This Plan provides for the following limits on grants unless otherwise permitted pursuant to the policies of the TSX Venture:

- (i) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to any one Participant (and where permitted pursuant to the policies of the TSX Venture, any company that is wholly-owned by the Participant) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period, together with any other security based compensation arrangements, may not exceed 5% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
- (ii) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 10% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
- (iii) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company, together with any other security based compensation arrangements, may not exceed 10% of the Outstanding Shares at any point in time;
- (iv) the maximum aggregate number of Common Shares that may be issuable to any Consultant of the Company pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period, together with any other security based compensation arrangements, may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation; and
- (v) the maximum aggregate number of Common Shares that may be issuable to all Investor Relations Services Providers pursuant to Options granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Options and Investor Relations Services Providers may not receive any Security Based Compensation other than Options.

Exercised and Unexercised Options

2.7 In the event an Option granted under this Plan is exercised, expires unexercised or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to this Plan and will be eligible for re-issuance.

Administration of this Plan

2.8 The Board will be responsible for the general administration of this Plan and the proper execution of its provisions, the interpretation of this Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue this Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of this Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under this Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of this Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify this Plan or any Option granted as follows:

- (a) amendments which are of a typographical, grammatical, clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSX Venture; and
- (d) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, amendments as may be required by the policies of such senior stock exchange or stock market.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) this Plan, together with any other Security Based Compensation Plans, or any particular grant or issue of Security Based Compensation, could result in:
 - (i) the aggregate number of Common Shares issuable pursuant to Security Based Compensation to Insiders (as a group) exceeding 10% of the Outstanding Shares at any time;
 - (ii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12 month period to Insiders (as a group) exceeding 10% of the Outstanding Shares calculated at the date of grant or issue; or
 - (iii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12 month period to any one Participant exceeding 5% of the Outstanding Shares calculated at the date of grant or issue; or
- (b) any reduction in the Exercise Price or the extension of the term of an Option held by an Insider or any other amendment to an Option that results in a benefit to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under this Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 The term of an Option will be set by the Board at the time such Option is allocated under this Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 In respect of any proposed amendment to the terms of an Option, and except as otherwise provided under TSX Venture Policies:

- (a) any amendment must be approved by the TSX Venture, and be subject to shareholder approval, where applicable, prior to the exercise of such Option; and
- (b) the Company must issue a news release outlining the terms of the amendment.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under this Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Participant remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Participant remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Investor Relations Service Providers

3.7 Notwithstanding §3.6, Options granted to Investor Relations Service Providers will vest such that:

- (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
- (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
- (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
- (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.

Effect of Take-Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities. Notwithstanding the foregoing, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

Extension of Options Expiring During Black-out Period

3.10 Should the Expiry Date for an Option fall within a Black-out Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-out Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan, provided that such automatic extension of the Expiry Date for an Option will not apply where the Participant or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Participant has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Participant will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the Termination Date, and only to the extent that such Option was vested at the Termination Date; and
- (c) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the Termination Date without right to exercise same.

Non Assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number

of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company;

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees; and

(h) any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under this Plan is subject to the prior acceptance of the TSX Venture,

including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to this Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering:

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.4.

Cashless Exercise

4.3 Subject to the provisions of this Plan (including, without limitation, Section 4.5 and, upon prior approval of the Board, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) excluding Options held by any Investor Relations Service Provider, a “net exercise” procedure in which the Company issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares; or
- (b) a broker assisted “cashless exercise” in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations a determined by the Company against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this §4.3 from time to time by delivery to the Company, at its head office or such other place as may be specified by the Company of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Company arising under applicable law and verified by the Company to its satisfaction (or by entering into some other arrangement acceptable

to the Company in its discretion, if any). The Participant shall comply with Section 4.5 of this Plan with regard to any applicable required withholding obligations and with such other procedures and policies as the Company may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board in connection with such exercise.

4.4 In the event of a net exercise pursuant to §4.3(a) or a cashless exercise pursuant to §4.3(b), the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in §2.2, §2.6 and §2.10 of this Plan.

Tax Withholding and Procedures

4.5 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.5 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.6 As soon as practicable after receipt of the notice of exercise described in §4.2 or §4.3, as applicable, and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or
- (b) where Options are granted to any Participants, including Insiders, where the Exercise Price is at a discount to the Market Price.

4.7 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in this Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in this Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Participant. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

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

Continuation of Plan

5.4 This Plan will become effective from and after September 23, 2022, and will remain effective provided that this Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to such effective date.

Amendment of this Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate this Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of this Plan will be subject to any necessary Regulatory Approvals and Shareholder Approval.

SCHEDULE A
SHARE OPTION PLAN
OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____, pursuant to the provisions of the Share Option Plan (the “Plan”) of Coloured Ties Capital Inc. (the “Company”), the Company has granted to _____ (the “Optionee”), an Option to acquire _____ Common Shares (“Optioned Shares”) up to 5:00 p.m. (Vancouver Time) on the _____ day of _____, _____ (the “Expiry Date”), or such earlier date as determined in accordance with the terms of this Plan, at an Exercise Price of Cdn\$ _____ per share.

[Optioned Shares are to vest immediately.]

OR

[Optioned Shares will vest (*INSERT VESTING SCHEDULE AND TERMS*)]

The grant of the Option evidenced hereby is made subject to the terms and conditions of this Plan, which are hereby incorporated herein and form part hereof. This Option Commitment and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in this Plan. This Option Commitment is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of this Plan and the records of the Company shall prevail.

To exercise the Option, (1) deliver a written notice in the form attached as Schedule B to this Plan (or in such other form as established by the Company) specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate exercise price, or (2) if the Optionee wishes to exercise the Option on a “net exercise” basis or “cashless exercise” basis in accordance Section 4.2(a) or Section 4.3(b) of this Plan and the Company’s Board of Directors approves the exercise on a “net exercise” basis or “cashless exercise” basis, deliver a written notice and comply with such other conditions as established by the Company for a “net exercise” or “cashless exercise”. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the Company or its transfer agent, if applicable, as soon as practicable thereafter and may bear a restrictive legend if required under applicable securities laws or the policies of the TSX Venture Exchange.

[*Note: If a four month hold period is applicable under the policies of the TSX Venture Exchange, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.*

"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 [*insert date 4 months from the date of grant*]”.]

The Company and the Optionee represent that the Optionee, under the terms and conditions of this Plan, is a bona fide Service Provider (as defined in this Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture Exchange as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture Exchange on the date of this Option Commitment.

COLOURED TIES CAPITAL INC.

Authorized Signatory

[insert name of optionee]

The Optionee acknowledges receipt of a copy of this Plan and represents to the Company that the Optionee is familiar with the terms and conditions of this Plan, and hereby accepts this Option subject to all of the terms and conditions of this Plan. The Optionee agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by applicable regulatory authorities.

Signature of Optionee:

Signature

Date signed:

Print Name

Address

**SCHEDULE B
TO STOCK OPTION PLAN**

COLOURED TIES CAPITAL INC.

206 - 1045 West 8th Avenue
Vancouver, BC V6H 1C3

Re: Employee Stock Option Exercise

Attn: Stock Option Plan Administrator, Coloured Ties Capital Inc. (the "Company")

This letter is to inform the Stock Option Plan Administrator that I, _____,
wish to exercise _____ options, at _____ per share, on this ____ day of _____,
20 ____.

Payment issued in favour of Coloured Ties Capital Inc. for the amount of \$ _____ will be
forwarded, including withholding tax amounts.

Please register the share certificate in the name of:

Name of Optionee: _____

Address: _____

Please send share certificate to:

Name: _____

Address: _____

Sincerely,

Signature of Optionee

Date

SIN Number (for T4)

SCHEDULE C
AMENDED FIXED RESTRICTED SHARE UNIT PLAN

COLOURED TIES CAPITAL INC.
FORMERLY GROWMAX RESOURCES CORP.
(the “Company”)
RESTRICTED SHARE UNIT PLAN

**Dated for Reference July 1, 2019 as amended on April 24, 2020 and as further amended
on August 18, 2022**

GENERAL PROVISIONS

1.1 Establishment and Purpose

(1) The Company hereby establishes a restricted share unit plan known as the “Capital Ties Capital Inc. Restricted Share Unit Plan.”

(2) The purpose of this Plan is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in Shareholder value. This Plan is intended to promote a greater alignment of interests between the Shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

1.2 Definitions

(1) In this Plan:

- (a) **Account** means an account maintained for each Participant on the books of the Company that will be credited with RSUs in accordance with the terms of the Plan;
- (b) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (c) **Applicable Withholding Tax** has the meaning set forth in §4.6;
- (d) **Associate** means, if used to indicate a relationship with any Person:
 - (i) a partner, other than a limited partner, of that Person;
 - (ii) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity;
 - (iii) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer; or

- (e) a relative, including the spouse, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person;
- (f) **Award** means an agreement evidencing the grant of a Restricted Share Unit;
- (g) **Award Notice** means a notice substantially in the form of Schedule "A" and containing such other terms and conditions relating to an award of RSUs as the Committee may prescribe;
- (h) **Award Payout** means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (i) **Blackout Period** means a period means a period during which a restriction has been formally imposed by the Company, 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 Options, provided that any Black-out Period must expire following the general disclosure of the undisclosed material information;
- (j) **Board** means the Board of Directors of the Company as it may be constituted from time to time;
- (k) **Business Day** means a day that is not a statutory holiday and a day on which banks are open in Vancouver, British Columbia Canada;
- (l) **Change of Control** means the occurrence of any of:
 - (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any of its affiliates or subsidiary) thereafter acquires the direct or indirect "beneficial ownership" (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;
 - (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);

- (iii) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);
- (iv) a majority of the Board consists of individuals which management of the Company has not nominated for election or appointment as directors; or
- (v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;
- (m) **Committee** means the Compensation Committee of the Board (or such other committee the Board may appoint), consisting of not less than three directors, to whom the authority of the Board is delegated in accordance with §2.2;
- (n) **Company** means Coloured Ties Capital Inc., and includes any successor Company thereto;
- (o) **Consultant** means Consultant means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or any of its subsidiaries) or Company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the Company, as the case may be; and
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;
- (p) **Consultant** Company means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (q) **Director** means a means a director (as defined under applicable securities laws) of the Company or any of its subsidiaries;

- (r) **Disinterested Shareholder Approval** has the meaning assigned by Policy 4.4, Sections 5.3(b) and (c) of the TSX Venture Exchange Policies;
- (s) **Eligible Person** means any person who is a Director, Employee, Consultant, or Officer;
- (t) **Employee** means an employee of the Company or of a Related Entity;
- (u) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (v) **Expiry Date** means December 31 of the third calendar year after the Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;
- (w) **Fair Market Value** means, as at a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout,
 - (i) if the Shares are listed on the TSXV, the greater of: (a) the weighted average of the trading price per Share on the TSXV for the last five trading days ending on that date; and (b) the closing price of the Shares on the day before that date,
 - (ii) if the Shares are not listed on the TSXV, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
 - (iii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (x) **Grant Date** means the date of grant of any Restricted Share Unit;
- (y) **IFRS** means the International Financial Reporting Standards as adopted by the Accounting Standards Board of Canada;
- (z) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (aa) **Investor Relations Activities** has the meaning ascribed has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (bb) **Officer** means an officer (as defined under applicable securities laws) of the Company or any of its subsidiaries;

- (cc) **Payment Amount** means the amount determined in accordance with §4.7(1)(a);
- (dd) **Recipient** means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;
- (ee) **Related Entity** means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second person, or
 - (iv) being a trustee of the second person;
- (ff) **Required Approvals** has the meaning contained in §2.4;
- (gg) **Restricted Period** means the period of time: (i) during a Blackout Period; and (ii) within five Business Days following the end of a Blackout Period;
- (hh) **Restricted Share Unit or RSU** means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in §4.1;
- (ii) **Retirement** means, with respect to a Recipient, the early or normal retirement of the Recipient within the meaning of the pension plan of the Company for salaried employees, whether or not such Recipient is a member of that pension plan, or, if the Company does not have such a plan, the date on which the Recipient reaches age 65;
- (jj) **RSU Plan or Plan** means this Restricted Share Unit Plan, as amended from time to time;
- (kk) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) **Security Based Compensation** has the meaning given to such terms in TSXV Policy 4.4 – *Security Based Compensation*;
- (mm) **Security Compensation Plan** has the meaning given to such term in TSXV Policy 4.4 – *Security Based Compensation*;

- (nn) **Settlement Date** has the meaning attributed thereto in this RSU Plan;
- (oo) **Share** means the common shares of the Company;
- (pp) **Shareholder** means a holder of Shares in the capital of the Company;
- (qq) **Share Compensation Arrangement** means any share option, share option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers or Employees of the Company;
- (rr) **Tax Act** means the *Income Tax Act* (Canada), as amended from time to time;
- (ss) **Termination means**, with respect to a Recipient, that the Recipient has ceased to be an Eligible Person, other than as a result of Retirement, and has ceased to fulfil any other role as employee or officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an officer, death or Total Disability;
- (tt) **Total Disability** means, with respect to a Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Recipient is reasonably qualified to perform;
- (uu) **Trigger Date** means, with respect to a Restricted Share Unit, the date set by the Board at the time of grant, and if no date is set by the Board, then December 1 of the third calendar year following the Grant Date of the Restricted Share Unit, as such may be amended in accordance with §3.7;
- (vv) **TSX Venture Exchange or TSXV** means the TSX Venture Exchange and any successor thereto;
- (ww) **TSX Venture Policies** means the rules and policies of the TSX Venture Exchange as amended from time to time;
- (xx) **Unit Award** means an award of a Restricted Share Unit(s) under this RSU Plan;
- (yy) **Vesting Date Value** means the notional value, as at a particular date, of the Fair Market Value of one Share
- (zz) **Vesting Period means** the period of time which must pass before which a Unit Award entitles the Recipient to the settlement of such Restricted Share Units.

PART 2

ADMINISTRATION

2.1 Board Powers

The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws,

- (a) interpret and administer this Plan,
- (b) establish, amend and rescind any rules and regulations relating to this Plan, and
- (c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

2.2 Delegation to Committee

(1) All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, without limiting the generality of the foregoing, those referred to under §2.1.

2.3 Incorporation of Terms of Plan

(1) Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit granted under this Plan.

2.4 Effective Date

(1) Subject to prior receipt of approval of disinterested shareholder of the Company, this Plan will be effective on August 18, 2022. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of any necessary approvals of the Company, Shareholders, disinterested shareholders of the Company, the TSXV, and any other regulatory bodies (the "Required Approvals").

2.5 Shares Reserved

(1) The aggregate number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to §3.10, shall be 2,211,186 Shares. Any Share subject to a Restricted Share

Unit, which has been cancelled or terminated in accordance with the terms of this Plan without being paid out as provided for in Part 3, shall again be available under this Plan.

2.6 Limitations

- (1) The following limits apply to this RSU Plan:
 - (a) the maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation of the Company granted or issued in any 12-month period to any one Eligible Consultant shall not exceed 2% of the total number of issued and outstanding Shares of the Company on a non-diluted basis, calculated as at the date any Security Based Compensation is granted or issued to such Eligible Consultant;
 - (b) unless the Company has obtained the requisite Disinterested Shareholder approval,
 - (i) the maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one person shall not exceed 5% of the total number of issued and outstanding Shares of the Company on a non-diluted basis, calculated as at the date any Security Based Compensation is granted or issued to such person;
 - (ii) the maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation granted or issued to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares of the Company on a non-diluted basis at any point in time; and
 - (iii) the maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares of the Company on a non-diluted basis, calculated as at the date any Security Based Compensation is granted or issued to any Insider; and
 - (c) Unit Awards may not be granted under this RSU Plan to persons retained to provide Investor Relations Activities.

PART 3

AWARDS UNDER THIS PLAN

3.1 Recipients

(1) Only Eligible Persons are eligible to participate in this Plan and receive one or more Restricted Share Units. Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or a Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year, as determined by the Board in its discretion.

3.2 Grant

(1) The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to §3.5(1)(c) in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

3.3 Conditions of Grant to an Employee

(1) Upon a grant of Restricted Share Units made to an Eligible Person that is an Employee hereunder the Company is responsible for ensuring, and the Employee is responsible for confirming, that the Employee is a bona fide Employee.

3.4 Performance Conditions

(1) At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified by the Committee in the Award (the "Performance Conditions"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one Performance Condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Recipient or to different Recipients.

3.5 Vesting

(1) Except as provided in this Plan, Restricted Share Units issued under this Plan will vest on the date (the "Vesting Date") that is the later of:

- (a) the Trigger Date; and
- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied,

provided that:

- (c) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;
- (d) if the date in §3.5(1)(a) or §3.5(1)(b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one Business Day following the end of such Restricted Period; and (ii) the Expiry Date;
- (e) no Restricted Share Unit will remain outstanding for any period which exceeds the Expiry Date of such Restricted Share Unit; and
- (f) the authority of the Board in respect of vesting of Restricted Share Unit Awards under this Plan is subject to Section 4.6 of TSXV Policy 4.4 whereby no Restricted Share Unit Award may vest before the first anniversary of the grant date of such Restricted Share Unit Award, provided that acceleration of vesting may be expressly permitted by this RSU Plan for an Eligible Person who dies or who ceases to be an Eligible Person under this RSU Plan in connection with a change of control, take-over bid, RTO (as defined in TSXV Policy 1.1) or similar transaction.

3.6 Forfeiture and Cancellation Upon Expiry Date

- (1) Restricted Share Units which do not vest on or before the Expiry Date of such Restricted Share Unit will be automatically cancelled, without further act or formality and without compensation.

3.7 Amendment of Trigger Date

- (1) The Board of Directors may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit.

3.8 Account

- (1) Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Recipient's account will be sent by the Company to the Recipient upon request of the Recipient.

3.9 Credits for Dividends

An Eligible Person's Account shall be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Shares. The number of additional RSUs to be credited to an Eligible Person's Account shall be computed by dividing:

- (a) the dividends that would have been paid to such Eligible Person if each RSU in the Eligible Person's Account on the relevant dividend record date had been one Share, by
- (b) the Fair Market Value of the Share determined as of the date of payment of such dividend. Any fractional RSUs resulting from such calculation shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number. Any such additional RSUs credited to the Eligible Person's Account shall vest in proportion to and shall be paid in the same manner as the RSUs to which they relate. The foregoing does not obligate the Company to pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

3.10 Adjustments and Reorganizations

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to shareholders (other than the payment of dividends in respect of the Shares as contemplated by §3.9), the Committee may choose to adjust the Account of each Eligible Person and the RSUs outstanding under this Plan in such manner, if any, as the Committee may in its discretion deem appropriate (taking into account any tax consequences to the extent considered relevant by the Committee) to preserve the Account of each Eligible Person and the RSUs outstanding under this Plan shall be adjusted in such manner, if any, as the Committee may in its discretion deem appropriate to preserve, proportionally, the interests of Eligible Persons under this Plan. For greater certainty and notwithstanding any other provision of this Plan, in no event shall an Eligible Person be or become entitled to receive any amount of cash from the Company. Any adjustment, other than in connection with a security consolidation or security split, to Security Based Compensation granted or issued under a Security Based Compensation Plan must be subject to the prior acceptance of the TSXV, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

3.11 Notice and Acknowledgement

(1) No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Eligible Person will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

PART 4

PAYMENTS UNDER THIS PLAN

4.1 Payment of Restricted Share Units

(1) Subject to the terms of this Plan and, in particular, §4.6 of this Plan, the Company, in its discretion and as may be determined by the Board, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Recipient by paying or issuing (net of any Applicable Withholding Tax) to such Recipient, on or subsequent to the Trigger Date but no later than the Expiry Date of such Vested Restricted Share Unit, an Award Payout of either:

- (a) subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Company shall pay to such Recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit.

4.2 Consultants and Advisors

(1) The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

4.3 Cancellation on Termination for Cause

(1) Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause.

For greater certainty, if a contrary determination is made at the time of the grant of the Unit Award by the Board as to vesting following termination, notwithstanding such authority of the Board, any unvested Unit Awards must vest not later than twelve (12) months following the date of termination.

4.4 Retirement, Total Disability, Death and Termination without Cause

(1) If a Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Recipient ceases to be an Eligible Person:

- (a) Retirement of a Recipient;
- (b) death or Total Disability of a Recipient; and
- (c) the Termination of employment or removal from service by the Company or a Related Entity without cause.

4.5 Change of Control

(1) In the event of a Change of Control, all Restricted Share Units credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the "Change of Control Date"). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the Recipient shall receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

Any adjustment, other than in connection with a security consolidation or security split, to Security Based Compensation granted or issued under a Security Based Compensation Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

4.6 Tax Matters and Applicable Withholding Tax

(1) The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Recipients of Restricted Share Units, or payments received by Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold ("Applicable Withholding Tax"), under the Tax Act, in such manner (including, without limitation, by selling Shares otherwise issuable to Recipients, on such terms as the Company determines) as it determines so as to ensure that it 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, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Recipients of applicable income or other taxes.

4.7 Payment of Shares and Hold Periods

(1) As soon as practicable after vesting of Restricted Share Units the Company will pay out vested Restricted Share Units by issuing Shares (the "Award Payout Shares") as contemplated in §4.1(1)(a) herein, and will direct its transfer agent to issue to the Eligible Person the appropriate number of Shares. A hold period will be applied from the date of grant of the Restricted Share Units for all Shares issued to:

- (a) Insiders of the Company; or
- (b) any Eligible Person, including Insiders, where the Award Payout Price is set at a discount to the Fair Market Value.
- (c) Where the hold period is applicable, the certificate representing the Award Payout Shares, or written notice in the case of uncertificated Shares, will include a legend stipulating that the Award Payout Shares issued are subject to a four-month hold period.

PART 5

MISCELLANEOUS

5.1 Compliance with Applicable Laws

(1) The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

5.2 Non Transferability

(1) Restricted Share Units and all other rights, benefits or interests in this Plan are non transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

5.3 No Right to Service

(1) Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

5.4 Successors and Assigns

(1) This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

5.5 Amendment, Suspension or Termination to RSU Plan

- (a) the Board shall have the power to, at any time and from time to time, and without shareholder approval, amend this RSU Plan or any Unit Award under this RSU Plan to fix typographical errors or to clarify existing provisions of this RSU Plan that do not have the effect of altering the scope, nature and intent of such provisions;
- (b) subject to TSX Venture approval, the Committee may from time to time amend or suspend this Plan in whole or in part and may at any time terminate this Plan without prior notice. However, any such amendment, suspension or termination shall not adversely affect the RSUs previously granted to an Eligible Person at the time of such amendment, suspension or termination, without the consent of the affected Eligible Person;
- (c) if the Committee suspends or terminates this Plan, no new RSUs will be credited to the account of an Eligible Person; however, previously credited RSUs shall remain outstanding but shall not be entitled to dividend credits following suspension or termination unless at the time of suspension or termination the Committee determines that the entitlement to dividend credits during suspension or after termination, as applicable, should be continued;
- (d) the Committee shall not require the consent of any affected Eligible Person in connection with a termination of this Plan in which the vesting of all RSUs held by the Eligible Person are accelerated and the Payment Amount (less Applicable Withholding Amount) is paid to the Eligible Person in respect of all such RSUs;
- (e) the Company will be required to obtain the disinterested shareholder approval for any amendment of this Plan related to:
 - (i) the number or percentage issued and outstanding Shares available for grant under this Plan;
 - (ii) a change in method of calculation of redemption of RSUs held by Eligible Persons; and
 - (iii) an extension to the term for redemption of RSUs held by Eligible Persons;

- (f) this Plan will terminate on the date upon which no further RSUs remain outstanding, provided that such termination is confirmed by a resolution of the Committee.

5.6 Governing Law

- (1) This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.

5.7 Reorganization of the Company

- (1) The existence of any RSUs shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company 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.

5.8 No Shareholder Rights

- (1) Restricted Share Units are not considered to be Shares or securities of the Company, and a Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any Shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

5.9 No Other Benefit

- (1) No amount will be paid to, or in respect of, a Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Recipient for such purpose.

5.10 Unfunded Plan

- (1) For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the Employee Retirement Income Security Act (United States). Any Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

SCHEDULE "A"

FORM OF RESTRICTED SHARE UNIT AGREEMENT

Coloured Ties Capital Inc. (the "Company") hereby confirms the grant to the undersigned Recipient of Restricted Share Units ("Units") described in the table below pursuant to the Company's Restricted Share Unit Plan (the "Plan"), a copy of which Plan has been provided to the undersigned Recipient.

No. of Units	Trigger Date	Expiry Date

[Include any specific/additional vesting period or Performance Conditions]

DATED _____, 20____.

COLOURED TIES CAPITAL INC.

Per: _____
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Recipient under this Plan, agrees to be bound by the provisions thereof and agrees that this Plan will be effective as an agreement between the Company and the undersigned with respect to the Units granted or otherwise issued to it.

DATED _____, 20____.

Witness (Signature)

Name (please print)

Address

City, Province

Occupation

Recipient's Signature

Name of Recipient (print)