



**2023 MANAGEMENT INFORMATION CIRCULAR**

**(Information as at October 13, 2023)**

## **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 27, 2023**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of the holders (“**Shareholders**”) of common shares of Black Swan Graphene Inc. (the “**Company**” or “**Black Swan**”) will be held virtually by teleconference on Monday, November 27, 2023 at 10:00 a.m. (EST) (the “**Meeting**”), for the following purposes:

1. receiving the Company’s consolidated audited financial statements for the fiscal year ended December 31, 2022, together with the report of the auditor thereon;
2. setting the size of the board of directors of the Company at seven;
3. electing the Company’s board of directors for the ensuing year;
4. appointing McGovern Hurley LLP as auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
5. re-approving the Company’s Omnibus Incentive Plan; and
6. other items of business that may be properly brought before the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the management information circular (the “**Circular**”). The Circular is deemed to form part of this notice of Meeting. Black Swan is using the notice and access (“**Notice and Access**”) method for delivering this notice and the Circular to Shareholders. As described in the Notice and Access notification mailed to Shareholders, this notice and the Circular will be available on the Black Swan website at <https://www.blackswangraphene.com/annualmeeting2023/> and on SEDAR+ under Black Swan’s profile at [www.sedarplus.ca](http://www.sedarplus.ca). Alternatively, you may request a copy of this notice and the Circular be mailed to you by calling the toll-free telephone in North American at 1-877-224-8826 or outside North American at 647-805-9353.

Black Swan will be conducting a virtual Meeting. **Shareholders will not be able to attend the Meeting physically.** At the Meeting, registered shareholders, non-registered (or beneficial) shareholders, and their duly appointed proxyholders will be able to participate, ask questions, and vote. Non-registered shareholders must carefully follow the procedures set out in the Circular that accompanies this notice in order to vote at the Meeting. Non-registered shareholders who do not follow the procedures set out in the Circular will nonetheless be able to attend the Meeting but will not be able to ask questions or vote.

Please join the Meeting 5-10 minutes prior to scheduled start time. When prompted, provide the Conference ID. Dial-in particulars are as follows:

<b>North American Toll-Free Dial-in Number:</b>	+1 888-396-8049
<b>Toll Dial-in Number:</b>	+1 416-764-8646
<b>Conference ID:</b>	04436293

The Meeting gives all shareholders an equal opportunity to participate regardless of their geographic location. It should be noted that the majority of shareholders vote in advance of the meeting by proxy and are encouraged to continue to do so as outlined in the Circular. The Meeting does not change voting by proxy. However, those that wish to participate in the Meeting or to appoint a proxy to participate, are encouraged to carefully read the instructions in the Circular and in particular the procedure for appointing yourself or a proxy.

Shareholders registered on the books of the Company at the close of business on October 10, 2023, are entitled to notice, and to vote at the Meeting. To be effective, the form of proxy or voting instruction form must be received by 10:00 am (EST) on November 23, 2023, or not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

DATED at Toronto, Ontario as of the 13<sup>th</sup> day of October 2023.

By Order of the Board of Directors

(signed) "*Simon Marcotte*"

Simon Marcotte  
Chief Executive Officer



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## MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) has been prepared for the holders of common shares (“Shareholders”) in connection with the solicitation of proxies by the management of Black Swan Graphene Inc. (“Black Swan” or the “Company”) for use at the annual general and special meeting of the Shareholders of the Company to be held virtually (the “Meeting”), on Monday, November 27, 2023, at 10:00 a.m. (EST) via teleconference and at any adjournment(s) thereof, for the purposes set forth in the accompanying notice of meeting (the “Notice”).

Please join the Meeting 5-10 minutes prior to scheduled start time. When prompted, provide the Conference ID. Dial-in particulars are as follows:

<b>North American Toll-Free Dial-in Number:</b>	<b>+1 888-396-8049</b>
<b>Toll Dial-in Number:</b>	<b>+1 416-764-8646</b>
<b>Conference ID:</b>	<b>04436293</b>

Unless otherwise stated, the information contained within this Circular is as at October 13, 2023. Unless otherwise stated, all dollar amounts in this Circular refer to Canadian dollars.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

#### Persons or Companies Making the Solicitation

**The enclosed instrument of proxy is solicited by management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse Shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Circular.

### MEETING AND VOTING INFORMATION

Registered shareholders (the “**Registered Shareholders**”) of Common Shares of the Company (the “**Common Shares**”) are entitled to receive notice of and vote at the Meeting, or any postponement or adjournment thereof, if they were a Registered Shareholder at the close of business on the record date of October 10, 2023.

#### Meeting Materials

Black Swan is using the notice and access process (“**Notice and Access**”) provided under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”) for the delivery of the Notice and the Circular (collectively, the “**Meeting Materials**”) to Registered Holders and Non-Registered Holders (beneficial shareholders) who have provided instructions to an



Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**NOBO**”) for the Meeting. If you are a NOBO, and the Company or its agent has sent the Notice and Access notification directly to you, your name and address and information about your holdings of Common Shares has been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Black Swan has adopted the Notice and Access delivery process in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

In addition, the Company will have caused its agent to deliver a Notice and Access notification to the clearing agencies and intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (“**OBO**”). Intermediaries are required to forward the Notice and Access notification to OBOs at the cost of such Intermediary, unless an OBO has waived his or her right to receive such notification information.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a Notice and Access notification containing details of the Meeting date, teleconference particulars and purpose, as well as information on how to access the Meeting Materials electronically. The Company will not be using stratification, however, shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials.

The Meeting Materials can be accessed online at the Company’s website at <http://www.blackswangraphene.com/annualmeeting2023/> including the Company’s audited financial statements and related management’s discussion and analysis (“MD&A”) for the year ended December 31, 2023, or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Black Swan profile.

Shareholders may request printed copies of the Meeting Materials, the audited financial statements and/or the MD&A to be sent by mail for up to one year from the date this Circular is filed on SEDAR+. Requests for printed materials may be made by calling toll-free in North America at 1-877-224-8826 or outside of North America at 647-805-9353. To receive copies of the Meeting Materials in advance of the proxy deposit date and Meeting date, please allow at least ten business days in advance of the proxy deposit date and time.

## **Voting Process for Registered Holders**

### **Voting by Proxy**

**Registered Shareholders who are unable to attend the Meeting or any adjournment thereof, may vote their shares by proxy. The form of proxy will accompany the Notice of Meeting or the Notice and Access notification sent to Registered Shareholders. Registered Shareholders at the close of business on October 10, 2023, may vote in person at the Meeting, or by proxy as follows:**



### **Voting by Internet or Email**

Registered Shareholders who are unable to attend the Meeting or any adjournment thereof, may vote their shares by Internet by visiting [www.eproxy.ca](http://www.eproxy.ca) or by Email to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com)

### **Voting by Fax or Regular Mail**

Registered Shareholders please date, sign and return the form of proxy to the Company's transfer agent, Endeavor Trust Corporation by fax at 604-559-8908, or by regular mail at the address noted below:

**Endeavor Trust Corporation  
Attention: Proxy Department  
702 - 777 Hornby Street  
Vancouver, BC, V6Z 1S4**

not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting, in his or her discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

### **Voting Shares at Meeting via Teleconference**

**Registered Shareholders:** Shareholders who own shares in their own name, may simply attend the Meeting to vote their shares at the Meeting via teleconference. Registered shareholders have the ability to participate, ask questions, and vote at the Meeting using the following teleconference particulars:

Please join the Meeting 5-10 minutes prior to scheduled start time. When prompted, provide the Conference ID. Dial-in particulars are as follows:

<b>North American Toll-Free Dial-in Number:</b>	<b>+1 888-396-8049</b>
<b>Toll Dial-in Number:</b>	<b>+1 416-764-8646</b>
<b>Conference ID:</b>	<b>04436293</b>

**Beneficial Shareholders:** Shareholders who own shares through a brokerage company or intermediary and not registered in their own name may also vote their shares at the Meeting, however, they must also complete and send the voting instruction form by no later than 48 hours prior to the Meeting date, (by Thursday, November 23, 2023 at 10:00 am (EST)), inserting their own name as the person to vote their shares at the Meeting. Beneficial or Non-Registered Shareholders should follow intermediaries' procedures and the instructions found on the voting instruction form.

**Appointing another person to** A Shareholder can appoint another person to represent such shareholder at the Meeting by inserting that person's name in the blank space provided in the form of proxy (the "Appointed Proxyholder"). The Appointed Proxyholder need not be a shareholder. A Shareholder appointing a Proxyholder may indicate the



**attend in person:**

**manner in which the Appointed Proxyholder is to vote regarding any specific item by checking the space opposite the item on the proxy. If the shareholder gives the Appointed Proxyholder discretionary authority regarding any item of business, the space opposite the item should be left blank. The common shares represented by the proxy submitted by a shareholder will be voted or withheld from voting by the Appointed Proxyholder in accordance with the directions given by the shareholder, if any, given in the proxy.**

Please date, sign AND print your name in the box found on the form of proxy (see below) and return your form of proxy to the Transfer Agent. You can then attend the Meeting to vote your shares.



**Appointment of Proxyholder**

I/We being holder(s) of BLACK SWAN GRAPHENE INC., hereby appoint Simon Marcotte, President and CEO, or failing this person, Peter Damouni, Executive Director, or failing this person, Paul Hardy, Vice President, Corporate Development.

OR

Print the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

**Appointment and Revocation of Proxies**

**The persons named in the accompanying instrument of proxy are directors or officers of the Company. A Shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided or complete another instrument of proxy. The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at the Company's transfer agent, Endeavor Trust Corporation, Attention: Proxy Department, 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The instrument of proxy must be signed by the Shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the Shareholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The chairman of the Meeting (the "**Chairman**") has discretionary authority to accept proxies which do not strictly conform to the foregoing requirements.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman on the day of the Meeting or on the day of any adjournment thereof,



or (c) registering with the scrutineer at the Meeting as a Shareholder present "in person" (i.e. attending the conference call), whereupon such proxy shall be deemed to have been revoked.

### **Voting of Shares and Exercise of Discretion of Proxies**

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the Shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the resolutions placed before the Meeting by management and for the election of the management nominees for directors and auditor, as stated under the headings in this Circular.** The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting. At the time of printing this Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee.

### **Advice to Beneficial Holders of Shares**

The information set forth in this section is of significant importance to many Shareholders who do not hold their shares in their own name. Only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in your account statement provided by your broker, then in almost all cases those shares will not be registered in your name on the Company's records. Such shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Shares registered in the name of your broker or its nominee can only be voted by the broker or nominee, and can only be voted by them in accordance with your written instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of a Shareholders' meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. In some cases, a form of proxy is supplied by your broker that is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to other parties, who mail a scannable Voting Instruction Form in lieu of the form of proxy provided by the Company. The Voting Instruction Form will name the same persons as the proxy to represent the Shareholder at the Meeting. A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the Voting Instruction Form, to represent the Shareholder at the Meeting. To exercise this right, the Shareholder should insert the name of the desired representative in the blank space provided in the Voting Instruction Form. You are asked to complete and return the Voting Instruction Form by mail or facsimile. Alternately, you can provide your voting instructions by telephone or internet by following the instructions contained in the Voting Instruction Form. The results of all voting instructions received are tabulated, and appropriate instructions are provided respecting the voting of shares to be represented at the Meeting. If you receive a Voting Instruction Form, it cannot be used as a proxy to vote shares directly at the Meeting. It must be returned in accordance with the instructions therein well in advance of the Meeting in order to have the shares voted, or to appoint an alternative representative to attend at the Meeting in person to vote such shares.



## Interest of Certain Persons In Matters To Be Acted Upon

Other than as disclosed elsewhere in this Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## Voting Shares and Principal Holders

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the Record Date, the Company had 301,730,083 Common Shares issued and outstanding.

At a general meeting of the Shareholders, on a show of hands, every Shareholder present in person has one vote and, on a poll, every Shareholder has one vote for each share of which he, she or it is the holder. Only Shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "**Appointment and Revocation of Proxies**" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

As at the date of this Circular, to the knowledge of the directors and senior officers of the Company, except as set out in the table below, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of any class of voting securities of the Company, on a non-diluted basis.

Name	Number of Common Shares Owned or Directed or Controlled or Directed	Percentage of Common Shares
Mason Graphite Inc.	117,800,000	39.04%
Harry Swan held through Thomas Swan & Co. Ltd.	44,175,000	14.64%

As of the date of this Circular, the directors being proposed for election and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 51,680,014 Common Shares, representing approximately 17.13% of the outstanding Common Shares.

## BUSINESS OF THE MEETING

### Receiving the Audited Financial Statements

Black Swan's consolidated financial statements, including the auditor's report thereon, for the year ended December 31, 2022, will be placed before the Meeting. The audited consolidated financial statements are available on Black Swan's website at <http://www.blackswangrahene.com> and SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Printed copies will be mailed to registered shareholders who requested them. For more information on how to request a printed copy of Black Swan's audited consolidated financial statements, please see section titled "Meeting Materials" within this Circular.



## **Election of Directors**

### **Board Size Resolution**

The Company's articles require that the Board of Directors (the "Board") of Black Swan consist of a minimum of one and a maximum of ten directors and the number set by ordinary resolution. At the Meeting, the seven persons named below will be proposed for election as directors of the Company. Black Swan is asking Shareholders to set, by ordinary resolution, the number of directors of the Company at seven.

**Unless directed otherwise in the form of proxy, the persons named in the form of proxy intend to vote FOR setting the Board size at seven persons.**

### **Nominees for Election as Directors**

The Company has nominated five persons (the "**Nominees**") for election as directors of the Company, who will hold office until the next annual meeting of the Company or until his or her successor is elected or appointed. At the Meeting, Shareholders will be asked to elect these Nominees as directors of the Company. The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director.

The process for voting for election of each director will be by individual voting and not by slate. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis.

The following nominee profiles set out the names and residences of the persons proposed to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, directly or indirectly, or exercises control or direction over as of the date of this Circular.





## HARRY SWAN

### CHAIRMAN



**DIRECTOR SINCE AUGUST 2022**  
**GAINFORD, UNITED KINGDOM**  
**AGE: 47**  
**INDEPENDENT DIRECTOR**

MEMBER OF THE AUDIT COMMITTEE

### OTHER PUBLIC DIRECTORSHIPS

THOMAS SWAN & CO LTD. SINCE 2006  
THOMAS SWAN HOLDINGS LTD. SINCE 2015  
EALA LTD. SINCE 2020  
GENERATION X ENERGY LTD. SINCE 2022

### ELECTION RESULTS

Year	For	Withheld
2022	100%	0%
2021	N/A	N/A
2020	N/A	N/A

MR. SWAN IS THE OWNER AND CEO OF THOMAS SWAN & CO. LTD. AND THE FOURTH GENERATION OF THE SWAN FAMILY TO LEAD THE COMPANY. HE JOINED IN 2002 TO LAUNCH THE NEW CARBON NANOMATERIALS BUSINESS AND TOOK OVER AS MANAGING DIRECTOR IN 2006. HE BECAME CEO AND OWNER OF THE BUSINESS IN 2018. HARRY IS CURRENTLY SERVING A 3-YEAR TERM AS THE CHAIR OF THE BOARD OF TRUSTEES OF THE SOCIETY OF CHEMICAL INDUSTRIES (SCI) IN LONDON. HE IS ALSO A COUNCIL MEMBER OF THE CHEMICAL INDUSTRIES ASSOCIATION. HARRY CHAIRS THE ADVISORY BOARD OF THE CENTRE FOR INDUSTRY EDUCATION COLLABORATION AT YORK UNIVERSITY.

AFTER GRADUATING FROM DURHAM UNIVERSITY IN 1998, HARRY STARTED HIS CAREER WORKING IN THE BIOTECH AND PUBLIC RELATIONS INDUSTRIES. HIS FOCUS IS NOW ON LEADING THOMAS SWAN INTO A NEW SUSTAINABLE FUTURE, DEVELOPING THE COMPANY'S CREDENTIALS AS AN INNOVATIVE GLOBAL PLAYER.

	SHARES <sup>(1)</sup>	OPTIONS	RSUs	TOTAL SECURITIES
OCT 13, 2023	44,175,000	1,500,000	700,000	46,375,000
SEPT 28, 2022	44,175,000	1,500,000	700,000	46,375,000
CHANGE	0	0	0	0

SECURITIES HELD

(1) 44,175,000 COMMON SHARES HELD THROUGH THOMAS SWAN & CO. LTD.



**PETER DAMOUNI**  
**EXECUTIVE DIRECTOR**



**DIRECTOR SINCE AUGUST 2022**  
**LONDON, UNITED KINGDOM**  
**AGE: 46**  
**NON-INDEPENDENT DIRECTOR**

MEMBER OF THE AUDIT COMMITTEE (CHAIR)

**OTHER PUBLIC DIRECTORSHIPS**

MASON GRAPHITE INC.	SINCE 2020
EMPIRE METALS LTD.	SINCE 2016
NORTHERN SUPERIOR RESOURCES INC.	SINCE 2023

**ELECTION RESULTS**

Year	For	Withheld
2022	100%	0%
2021	N/A	N/A
2020	N/A	N/A

PETER DAMOUNI IS AN ENTREPRENEUR AND FINANCIER WITH OVER 20 YEARS OF EXPERIENCE IN INVESTMENT BANKING AND CAPITAL MARKETS INCLUDING MORE THAN 10 YEARS AS A DIRECTOR OR AN OFFICER OF A NUMBER OF PRIVATE AND PUBLIC COMPANIES LISTED ON THE TSX, THE TSXV AND LSE. MR. DAMOUNI IS CURRENTLY CEO OF MASON GRAPHITE. THROUGHOUT HIS CAREER, MR. DAMOUNI HAS TAKEN A LEAD ROLE IN EQUITY AND DEBT FINANCINGS. HIS EXPERTISE IN FINANCING, RESTRUCTURING, STRATEGY DEVELOPMENT AND EXECUTION, MERGERS AND ACQUISITIONS HAVE BEEN INSTRUMENTAL IN CREATING SIGNIFICANT VALUE FOR SHAREHOLDERS.

	<b>SHARES<sup>(1)</sup></b>	<b>OPTIONS</b>	<b>RSUs</b>	<b>TOTAL SECURITIES</b>
OCT 13, 2023	1,397,062	3,500,000	2,100,000	6,997,062
SEPT 28, 2022	1,397,062	3,500,000	2,100,000	6,997,062
CHANGE	0	0	0	0

**SECURITIES HELD**

(1) 1,397,062 COMMON SHARES HELD THROUGH SILVERGATE CAPITAL PARTNERS LTD.



## MICHAEL EDWARDS

### COO AND DIRECTOR



**DIRECTOR SINCE AUGUST 2022**  
**HEREFORSHIRE, UNITED KINGDOM**  
**AGE: 65**  
**NON-INDEPENDENT DIRECTOR**

### ELECTION RESULTS

Year	For	Withheld
2022	98.22%	1.78%
2021	N/A	N/A
2020	N/A	N/A

MR. EDWARDS HAS MORE THAN 30 YEARS OF MANUFACTURING AND BUSINESS EXPERIENCE. PRIOR TO JOINING BLACK SWAN GRAPHENE, HE WAS BUSINESS DIRECTOR AT THOMAS SWAN & CO. LTD. RESPONSIBLE FOR THE DEVELOPMENT OF THE GRAPHENE BUSINESS. MR. EDWARDS HAS A BSC(HONS) IN ELECTRONICS (UNIVERSITY OF WALES, CARDIFF), AN MBA, AND IS A CHARTERED ENGINEER (CENG) AND A FELLOW OF THE INSTITUTION OF ENGINEERING AND TECHNOLOGY (FIET). PREVIOUS EXPERIENCE INCLUDES MICROPROCESSOR AND COMPUTER SYSTEMS DESIGN AT FERRANTI, 15 YEARS AS GENERAL MANAGER OF TOSHIBA ELECTRONICS EUROPE IN DÜSSELDORF WHERE HE INTRODUCED FLASH MEMORY INTO EUROPE AND PRESIDED OVER TOSHIBA'S DOMINANT DRAM POSITION AS WINDOWS WAS LAUNCHED INTO THE PC MARKET. SUBSEQUENTLY WORKED IN SEVERAL START-UP COMPANIES MAINLY IN GLOBAL SALES, MARKETING, AND BUSINESS DEVELOPMENT ROLES, INCLUDING 3 YEARS AS GLOBAL COMMERCIAL DIRECTOR AT OXFORD ADVANCED SURFACES AND GLOBAL COMMERCIAL DIRECTOR AT CAMBRIDGE NANOTHERM, RESPONSIBLE FOR TAKING ADVANCED MATERIALS TO GLOBAL LED MARKET.

	SHARES	OPTIONS	RSUs	TOTAL SECURITIES
OCT 13, 2023	0	2,125,000	950,000	3,075,000
SEPT 28, 2022	0	2,125,000	950,000	3,075,000
CHANGE	0	0	0	0

**SECURITIES HELD**



## ROY MCDOWALL

### DIRECTOR



**DIRECTOR SINCE AUGUST 2022**  
**CHAMBLY, QUÉBEC**  
**AGE: 60**  
**INDEPENDENT DIRECTOR**

### OTHER PUBLIC DIRECTORSHIPS

MASON GRAPHITE INC.                      SINCE 2020  
LUCKY MINERALS INC.                      SINCE 2021

### ELECTION RESULTS

Year	For	Withheld
2022	98.22%	1.78%
2021	N/A	N/A
2020	N/A	N/A

MR. MCDOWALL IS CURRENTLY VICE PRESIDENT CORPORATE DEVELOPMENT AT PYURE, A PRIVATE FLORIDA BASED MANUFACTURER OF COMMERCIAL AIR PURIFIERS.

A CAPITAL MARKETS PROFESSIONAL WITH OVER 25 YEARS OF EXPERIENCE WITH CANADIAN BASED BOUTIQUE AND BANK OWNED INVESTMENT FIRMS, MR. MCDOWALL SERVED AS MANAGING DIRECTOR, HEAD OF EQUITY SALES FOR MACQUARIE CAPITAL MARKETS CANADA. HE ALSO HELD SIMILAR POSITIONS WITH ORION SECURITIES, CREDIT SUISSE, CIBC WORLD MARKETS AND NATIONAL BANK FINANCIAL. MR. MCDOWALL RECENTLY SERVED AS VICE PRESIDENT OF INVESTOR AND COMMUNICATIONS AT TURQUOISE HILL RESOURCES, A MONTREAL BASED MINING COMPANY OF APPROXIMATELY \$8 BILLION OF MARKET CAPITALIZATION LISTED ON THE TORONTO STOCK EXCHANGE AND THE NEW YORK STOCK EXCHANGE. OVER HIS CAREER, MR. MCDOWALL HAS BEEN INSTRUMENTAL IN OVER 500 FINANCINGS FOR COMPANIES GLOBALLY WITH A FOCUS ON THE MINING INDUSTRY, LEVERAGING SELF-ESTABLISHED RELATIONSHIPS WITH CANADIAN AND INTERNATIONAL INSTITUTIONAL INVESTORS.

	SHARES	OPTIONS	RSUs	TOTAL SECURITIES
OCT 13, 2023	558,828	1,500,000	700,000	2,758,828
SEPT 28, 2022	558,828	1,500,000	700,000	2,758,828
CHANGE	0	0	0	0

**SECURITIES HELD**





## DR. DAVID DEAK

### DIRECTOR



**DIRECTOR SINCE AUGUST 2022**  
**LOS GATOS, CALIFORNIA**  
**AGE: 42**  
**INDEPENDENT DIRECTOR**

### ELECTION RESULTS

Year	For	Withheld
2022	98.22%	1.78%
2021	N/A	N/A
2020	N/A	N/A

DR. DAVID DEAK IS AN ENTREPRENEUR WHOSE EXPERTISE SPANS ACROSS LITHIUM MINING DEVELOPMENT, BATTERY SUPPLY CHAIN DEVELOPMENTS, ENERGY STORAGE, RENEWABLE ENERGY, AND ELECTRIC VEHICLES. DR. DEAK IS CHIEF DEVELOPMENT OFFICER OF ENERGYSOURCE MINERALS LLC, AND PRESIDENT OF MARBEX LLC, RUNNING A PORTFOLIO OF BATTERY MATERIALS PROJECTS AT THE INTERFACE BETWEEN MINING, ENERGY, AND TECHNOLOGY. DR. DEAK HAS BUILT HIS CAREER ADVANCING INITIATIVES IN LITHIUM MINING, RENEWABLE ENERGY, ENERGY STORAGE, AND ELECTRIC VEHICLES. HE WAS FORMERLY THE CHIEF TECHNOLOGY OFFICER AND SENIOR VICE-PRESIDENT OF LITHIUM AMERICAS CORP., WHERE HE SPEARHEADED DEVELOPMENTS OF TWO MAJOR LITHIUM ASSETS IN NEVADA AND ARGENTINA. BEFORE LITHIUM AMERICAS, DR. DEAK LED SPECIAL SUPPLY CHAIN PROJECTS AND BATTERY ENGINEERING PROGRAMS FOR GIGAFACTORY 1 AT TESLA INC. PRIOR TO WORKING IN THE ELECTRIC VEHICLES BUSINESS, HE MANAGED PRODUCT AND PROCESS DEVELOPMENT PROGRAMS FOR AMBRI INC., A BILL GATES-BACKED ENERGY-STORAGE START-UP SPUN OUT OF THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY. DR. DEAK HAS ALSO ACTED AS A CONSULTANT FOR MULTINATIONAL ENGINEERING CONGLOMERATES, START-UPS, GOVERNMENT ENTITIES AND INSTITUTIONAL INVESTORS, INVOLVING PROJECTS FROM TECHNOLOGY SCOUTING TO MATERIALS SUPPLY CHAIN ANALYSIS. HIS PROFESSIONAL CAREER STARTED IN THE CHIEF TECHNOLOGY OFFICER'S OFFICE AT SIEMENS WIND POWER IN DENMARK. DR. DEAK HOLDS A D.PHIL. IN MATERIALS SCIENCE FROM OXFORD UNIVERSITY AND A B.A.S.C. IN ENGINEERING SCIENCE FROM THE UNIVERSITY OF TORONTO.

	SHARES	OPTIONS	RSUS	TOTAL SECURITIES
OCT 13, 2023	0	1,500,000	700,000	2,200,000
SEPT 28, 2022	0	1,500,000	700,000	2,200,000
CHANGE	0	0	0	0

**SECURITIES HELD**



### **Other Information about the Nominees**

No director or proposed director of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company is or has been, within the ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or 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.

No director or executive officer has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

No proposed director has been subject to (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

No director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### **Appointment of Auditor**

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of McGovern Hurley LLP, Chartered Accountants, as auditors of the Company until the close of the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration. McGovern Hurley LLP, Chartered Accountants, were appointed as the auditors of the Company on November 25, 2022.

For additional information about the Company's auditors and the Audit Committee, please refer to the section "**Audit Committee**".



## Re-Approval of Omnibus Plan

### *Material Terms of the Omnibus Plan*

The Company's omnibus plan (the "**Omnibus Plan**") is designed to advance the interests of the Company by encouraging employees, officers and consultants to have equity participation in the Company through the acquisition of Common Shares. The Omnibus Plan was approved by the Shareholders at its last annual meeting. A copy of the Omnibus Plan is attached at Schedule A hereto. The following is a summary of the terms of the Omnibus Plan, which is qualified in its entirety by the provisions of the Omnibus Plan.

As of the date hereof, there are 16,725,000 Options (as defined herein) and 7,875,000 RSUs (as defined herein) that have been granted and are outstanding under the Omnibus Plan.

### Summary of the Omnibus Plan

The Omnibus Plan allows the grant of stock options ("**Options**"), restricted share units ("**RSUs**") and performance share units ("**PSUs**" and together with RSUs, "**Share Units**") settled in common shares (or, at the election of the Company, their cash equivalent). In addition, under the Omnibus Plan, the Company is able to grant deferred share units ("**DSUs**") to non-employee members of the Board and its designated affiliates.

### Administration

The Omnibus Plan will be administered by the Board. The Board will determine which directors, officers, eligible employees or consultants of the Company or its affiliates are eligible to receive awards under the Omnibus Plan. In addition, the Board will interpret the Omnibus Plan and may adopt, amend or rescind any administrative rules, regulations, procedures and guidelines relating to the Omnibus Plan as it deems appropriate, provided however, that the Company shall be required to obtain shareholder or disinterested shareholder approval, as applicable, for any amendments to the Omnibus Plan other than amendments: (i) of a "housekeeping" nature to clarify the meaning of an existing provision or correct any grammatical or typographical errors in the Omnibus Plan, or (ii) necessary to comply with applicable law or the requirements of any stock exchange on which the securities of the Company are listed.

Except as otherwise required by law, the Board may, from time to time, delegate powers conferred on the Board under the Omnibus Plan to such committee as the Board determines necessary, from time to time). In such event, such committee will exercise the powers delegated to it by the Board in the manner and on such terms authorized by the Board, and all decisions made, or actions taken, by the committee arising in connection with the administration of the Omnibus Plan within its authority are final, conclusive and binding.

### Eligibility

All employees, consultants, and directors of the Company or its designated affiliates are eligible to participate in the Omnibus Plan. In addition, subject to applicable laws, the Board may determine, in its discretion, which consultants are eligible to participate in the Omnibus Plan. However, PSUs may not be granted to non-employee directors of the Company or its designated affiliates and RSUs and PSUs may not be granted to consultants of the Company or its designated affiliates.

In addition, any participants under the Omnibus Plan who are "Investor Relations Service Providers" (as defined in the policies of the TSX Venture Exchange (the "**TSX-V**")) are not eligible to receive RSUs, PSUs (as defined herein) or DSUs (as defined herein).



## **Common Shares Subject to the Omnibus Plan and Limitation on Awards**

The maximum number of common shares available for issuance pursuant to the Omnibus Plan and any other security-based compensation arrangement of the Company shall not exceed 10% of the issued and outstanding common shares from time to time.

The Omnibus Plan is also subject to the following limitations:

- (a) the aggregate number of common shares issuable to “Insiders” (as defined in the policies of the TSX-V) of the Company under the Omnibus Plan or any other security-based compensation arrangement of the Company shall not exceed 10% of the issued and outstanding common shares and the aggregate number of common shares issuable to Insiders of the Company under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not exceed 10% of the issued and outstanding common shares as at the date any award is granted to any Insider of the Company (unless the Company has obtained disinterested shareholder approval in respect thereof);
- (b) the aggregate number of common shares issuable to any one participant under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not at any time exceed 5% of the issued and outstanding common shares as at the date any award is granted to the participant (unless the Company has obtained disinterested shareholder approval in respect thereof);
- (c) the aggregate number of common shares issuable to any one consultant under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not at any time exceed 2% of the issued and outstanding common shares as at the date any award is granted to the consultant; and
- (d) the aggregate number of common shares issuable to all persons retained to provide investor relations activities under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not at any time exceed 2% of the issued and outstanding common shares as at the date any award is granted to the persons retained to provide investor relations activities.

If for any reason common shares subject to issuance on the exercise of stock options granted under the Omnibus Plan are not issued, for reasons including the termination, expiration or cancellation, such common shares will become available for additional grants under the Omnibus Plan. If any RSUs, PSUs or DSUs granted under the Omnibus Plan expire, terminate or are cancelled for any reason without being settled in the form of common shares issued from treasury, such common shares will become available for additional grants under the Omnibus Plan.

The Omnibus Plan is not considered an “evergreen” plan, since awards which have been exercised shall not be available for subsequent grants under the Omnibus Plan and the number of awards available to grant decreases as the number of issued and outstanding common shares increases.

## **Stock Options**

The Board may grant stock options to any participant under the Omnibus Plan at any time. The exercise price for stock options will be determined by the Board, but may not be less than the market value of a common share (being, on any particular day, the market price of one common share to be calculated by reference to the closing price for a board lot of common shares on the TSX-V, on that day, or if at least one board lot of common shares shall not have been traded on the TSX-V on that day, on the immediately



preceding day for which at least one board lot was so traded, or, if the common shares are not listed and posted for trading on the TSX-V, on such stock exchange on which the common shares are listed and posted for trading as may be selected for such purpose by the Board), and, in the event that the common shares are not listed and posted for trading on any stock exchange, the fair market value of the common shares as determined by the Board in its sole and absolute discretion (the “**Market Value**”) on the date the stock option is granted. It is anticipated that stock options will vest and become exercisable as to one quarter of the stock option on each anniversary of the date of grant for the four years following the date of grant, unless otherwise determined by the Board and specified in such participant’s option agreement. Stock options must be exercised within a period fixed by the Board that may not exceed ten (10) years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until ten (10) business days after the end of the blackout period.

The Omnibus Plan also provides for earlier termination of stock options on the occurrence of certain events, including but not limited to, termination of a participant’s employment.

### **Restricted Share Units**

The Board may grant RSUs to any participant (other than consultants) under the Omnibus Plan at any time. The terms and conditions of grants of Share Units, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such participant’s RSU agreement. One RSU is equivalent to one common share.

An RSU account will be maintained for each participant and each notional grant of RSUs, as granted to such participant from time to time, will be credited to such participant’s account. RSUs that fail to vest with respect to a participant, or that are paid out to the participant are cancelled and will be removed from such participant’s account.

Upon the vesting and settlement of RSUs, Black Swan is entitled to elect, at the Board’ sole discretion, to settle vested RSUs for their cash equivalent, common shares or a combination thereof. For purposes of determining the cash equivalent of RSUs on settlement, such calculation will be made on the settlement date based on the Market Value on the settlement date multiplied by the number of vested RSUs in the participant’s notional RSU account. For the purposes of determining the number of common shares from treasury to be issued and delivered to a participant upon settlement of RSUs, such calculation will be made on the settlement date based on the whole number of common shares equal to the whole number of vested RSUs then recorded in the participant’s notional RSU account. If an RSU would otherwise expire during a blackout period, the term of such RSU shall automatically be extended until ten (10) business days after the end of the blackout period, however, in all cases, RSUs shall expire and be settled by no later than December 31 of the third calendar year commencing after the date of award.

### **Performance Share Units**

The Board may grant PSUs to any participant (other than non-employee directors and consultants) under the Omnibus Plan at any time. The terms and conditions of grants of PSUs, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such participant’s PSU agreement. PSUs are subject to the attainment of performance goals and may become vested PSUs based on a multiplier, which may be greater or less than 100%, subject to such percentage being no greater than 200%. A PSU account will be maintained for each participant and each notional grant of PSUs, as granted to such participant from time to time, will be credited to such participant’s account. PSUs that fail to vest with respect to a participant, or that are paid out to the participant are cancelled and will be removed from such participant’s account.



Upon the vesting and settlement of PSUs, Black Swan is entitled to elect, in the Board' sole discretion, to settle vested PSUs for their cash equivalent, common shares or a combination thereof. For purposes of determining the cash equivalent of PSUs on settlement, such calculation will be made on the settlement date based on the Market Value on the settlement date multiplied by the number of vested PSUs in the participant's notional PSU account. For the purposes of determining the number of common shares from treasury to be issued and delivered to a participant upon settlement of PSUs, such calculation will be made on the settlement date based on the whole number of common shares equal to the whole number of vested PSUs then recorded in the participant's notional PSU account. If a PSU would otherwise expire during a blackout period, the term of such Share Unit shall automatically be extended until ten (10) business days after the end of the blackout period, however, in all cases, Share Units shall expire and be settled by no later than December 31 of the third calendar year commencing after the date of award.

If the performance goals in respect of the vesting of PSUs determined by the Board at the time of granting the award with respect to a fiscal year are not met during such fiscal year, the PSUs which were scheduled to vest at the end of such fiscal year shall expire. Performance goals may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board which may be measured over a specified period and may have a multiplier effect based on the level of achievement.

## **DSUs**

The Board may grant DSUs to any DSU participant (being a non-employee director of Black Swan) under the Omnibus Plan at any time. In addition, subject to Board approval, a DSU participant may elect, once each fiscal year, to be paid up to 100% of his or her annual board retainer (including any committee fees, attendance fees and retainers to committee chairs) in the form of DSUs with the balance, if any, being paid in cash in accordance with Black Swan' regular practices. A DSU participant is entitled to terminate his or her participation in the Omnibus Plan.

One DSU is equivalent to one common share. Fractional DSUs are permitted under the Omnibus Plan. The number of DSUs granted at any particular time pursuant to the Omnibus Plan will be calculated by: (a) in the case of an elected amount by a DSU participant, dividing (i) the dollar amount of the elected amount by (ii) the Market Value of a common share on the applicable award date; or (b) in the case of a grant of DSUs, dividing (i) the dollar amount of such grant by (ii) the Market Value of a common share on the date of grant. Black Swan shall maintain a notional account for each DSU participant.

All DSUs recorded in a participant's notional account will vest on the DSU termination date, being the day that the DSU participant ceases to be a director of Black Swan for any reason.

Upon the settlement of DSUs, the number of common shares covered by the DSUs will be issued from treasury by Black Swan as fully paid non-assessable common shares based on the whole number of common shares equal to the whole number of DSUs then recorded in the DSU participant's notional account (fractions of common shares will be settled in cash). If a DSU participant gives notice to Black Swan of its election to receive cash pertaining to a DSU, Black Swan, with the approval of the Board, may agree to pay an amount in cash equal to the aggregate Market Value of the common shares as at the DSU termination date to be issued in place of issuing to the DSU participant common shares under the DSU.

## **Approval of Omnibus Plan Resolution**

The Company is required to obtain the approval of its Shareholders to any omnibus plan that is a "rolling" plan yearly at its annual meeting of Shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve the following ordinary resolution approving the Omnibus Plan:



"BE IT RESOLVED THAT:

1. the current Omnibus Plan of the Company, as described in the management information circular of the Company dated October 13, 2023 is hereby approved; and
2. any director or officer of the Company is hereby authorized to execute (whether under the corporate seal of the Company or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions."

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE APPROVAL OF THE OMNIBUS PLAN.**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE OMNIBUS PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTION.**

#### **STATEMENT OF EXECUTIVE COMPENSATION**

The Company's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company.

The Board develops and manages the Company's compensation philosophy and makes recommendations to the President and Chief Executive Officer ("CEO") with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans. The independent directors will review and approve the corporate goals and objectives relevant to CEO compensation, evaluate CEO performance in accordance with those goals and objectives and recommend to the Board the CEO's compensation level based on this evaluation. The Board intends to constitute a Nominating, Governance and Compensation Committee.

In determining compensation matters, the Board may consider a number of other factors, including the Company's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and such other factors it considers relevant. The Board did not retain a compensation consultant in 2023.

#### **Director Compensation**

Non-executive directors may be compensated by director's fees in cash if approved by the Board and management of the Company. The granting of incentive stock options and DSUs provides a link between director compensation and the Common Share price. Stock options or DSUs may be awarded to directors when they are first elected by Shareholders or appointed by the Board and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options or DSUs is appropriate, and if so, the number of options or DSUs that should be granted, the Board as a whole gives consideration to: (i) the number and terms of outstanding options or DSUs held by the director; (ii) current and expected future contributions of the director; (iii) the potential dilution to Shareholders and the cost to the Company; (iv) general industry standards; and (v) the limits imposed by the terms of the Company's Omnibus Plan. The Company currently considers the granting of stock options or DSUs to be the best method of compensating directors as it allows the Company to reward each director's efforts to increase value for Shareholders without requiring the Company to use cash from its treasury. No directors received any compensation during the financial year ended December 31, 2022, other than the annual retainers and stock options and RSUs noted below in the section "*Summary Compensation Tables*".



## Incentives and Options

The Board periodically reviews (such review to be performed at least annually) the status of the Company's equity incentive Omnibus Plan and is responsible for providing any proposals and recommendations to the independent directors concerning the setting and amendment of any equity incentive plan and individual grants, such as stock option grants, under any equity incentive plan. When proposing new stock option grants to directors, officers and consultants, the independent directors take into consideration previous grants made as well as the number of shares reserved for issuance under the Omnibus Plan.

The table below sets out the outstanding options, warrants and rights under the Omnibus Plan, being the Company's only compensation plan under which Common Shares are authorized for issuance, as of December 31, 2022.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	24,100,000	\$0.15	4,293,801
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	24,100,000	\$0.15	4,293,801

The number of options and RSUs currently outstanding represents approximately 8.49% of the outstanding Common Shares.



## Summary Compensation Tables

### Compensation Excluding Compensation Securities

The following table contains information about the compensation paid to, or earned by, the Named Executive Officers and directors during the financial years ended December 31, 2021 and December 31, 2022.

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Simon Marcotte, President and CEO <sup>(1)</sup>	2022	185,833	100,000	-	-	-	285,833
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Harry Swan, Chairman <sup>(2)</sup>	2022	24,000	-	-	-	-	24,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Peter Damouni, Executive Director <sup>(3)</sup>	2022	185,833	100,000	-	-	-	285,833
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Greg Duras, CFO <sup>(4)</sup>	2022	90,000	25,000	-	-	-	115,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Michael Edwards, COO and Director <sup>(5)</sup>	2022	180,000	30,000	-	-	-	210,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Roy McDowall, Director <sup>(6)</sup>	2022	24,000	-	-	-	-	24,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Brad Humphrey, Director <sup>(7)</sup>	2022	4,000	-	-	-	-	4,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A
David Deak, Director <sup>(8)</sup>	2022	24,000	-	-	-	-	24,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Marcotte was appointed President and CEO on August 2, 2022.
- (2) Mr. Swan was appointed Chairman on August 2, 2022.
- (3) Mr. Damouni was appointed Executive Director on August 2, 2022.
- (4) Mr. Duras was appointed CFO on August 2, 2022.
- (5) Mr. Edwards was elected as a director on August 2, 2022.
- (6) Mr. McDowall was elected as a director on August 2, 2022.
- (7) Mr. Humphrey was elected as a director on November 25, 2022.
- (8) Dr. Deak was elected as a director on August 2, 2022.



### Compensation Securities

The following tables sets forth details of all stock options and other compensation securities awarded to each Named Executive Officer and director of the Company during the most recently completed financial year.

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Simon Marcotte, President, Chief Executive Officer and Director	Stock Options RSUs	3,500,000 2,100,000	Aug 2, 2022 Aug 2, 2022	\$0.15 N/A	\$0.24	\$0.08	Oct 25, 2031 Aug 2, 2025
Harry Swan, Chairman	Stock Options RSUs	1,500,000 700,000	Aug 2, 2022 Aug 2, 2022	\$0.15 N/A	\$0.24	\$0.08	Oct 25, 2031 Aug 2, 2025
Peter Damouni, Executive Director	Stock Options RSUs	3,500,000 2,100,000	Aug 2, 2022 Aug 2, 2022	\$0.15 N/A	\$0.24	\$0.08	Oct 25, 2031 Aug 2, 2025
Greg Duras, CFO	Stock Options RSUs	625,000 250,000	Aug 2, 2022 Aug 2, 2022	\$0.15 N/A	\$0.24	\$0.08	Nov 19, 2026 Aug 2, 2025
Michael Edwards, COO and Director	Stock Options RSUs	1,500,000 625,000 950,000	Aug 2, 2022 Aug 2, 2022 Aug 2, 2022	\$0.15 \$0.15 N/A	\$0.24	\$0.08	Oct 25, 2031 Nov 19, 2026 Aug 2, 2025
Roy McDowall, Director	Stock Options RSUs	1,500,000 700,000	Aug 2, 2022 Aug 2, 2022	\$0.15 N/A	\$0.24	\$0.08	Oct 25, 2031 Aug 2, 2025
Brad Humphrey, Director	Stock Options	350,000 <sup>(1)</sup>	Nov 7, 2022	\$0.15	\$0.095	\$0.08	Nov 7, 2027
David Deak, Director	Stock Options RSUs	1,500,000 700,000	Aug 2, 2022 Aug 2, 2022	\$0.15 N/A	\$0.24	\$0.08	Oct 25, 2031 Aug 2, 2025

(1) vesting 1/3 on grant date, 1/3 on 1st anniversary and 1/3 on 2nd anniversary.



The following table sets forth each exercise by a Named Executive Officer or director of the Company of compensation securities during the most recently completed financial year.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOS							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference Between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
N/A							

#### Employment, Consulting and Management Agreements

The Company had no employment contracts with any of its Named Executive Officers for the financial year ended December 31, 2022.

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

#### Termination and Change of Control Benefits

The following describes the respective consulting agreements entered into by the Company.

Name	Notice Period	Monthly Fees	Severance on Termination	Severance on Change of Control
Simon Marcotte, President and Chief Executive Officer	12 months	\$20,833.33	\$600,000	24 months base fees plus aggregate cash bonuses paid in the 24 months prior to the Change in Control.
Peter Damouni, Executive Director	12 months	\$20,833.33	\$600,000	24 months base fees plus aggregate cash bonuses paid in the 24 months prior to the Change in Control.
Greg Duras, CFO	6 months	\$7,500	\$205,000	24 months base fees plus aggregate cash bonuses paid in the 24 months prior to the Change in Control.

#### Change of Control Provisions

As used herein, "Change in Control" shall be defined as the occurrence of any one or more of the following events:



- (1) the acquisition, directly or indirectly, by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Business Corporations Act (British Columbia)*) or group of persons acting jointly or in concert, as such terms are defined in the *Securities Act, Ontario* of: (A) shares or rights or options to acquire shares of the Company or securities which are convertible into shares of the Company or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the Shareholders; (B) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Company or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (C) more than 50% of the material assets of the Company, including the acquisition of more than 50% of the material assets of any material subsidiary of the Company; or
- (2) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board do not constitute a majority of the Board.

#### *Summary of Termination Payments*

The estimated incremental payments, payables and benefits that might be paid to the officers pursuant to the above noted agreements in the event of termination without cause or after a Change in Control (assuming such termination or Change in Control is effective as of December 31, 2022) are detailed below:

<b>Named Executive Officer</b>	<b>Termination not for Cause (\$)</b>	<b>Termination on a Change of Control (\$)</b>
<b>Simon Marcotte</b>		
Salary and Quantified Benefits	250,000	500,000
Bonus	100,000	100,000
Total	350,000	600,000
<b>Peter Damouni</b>		
Salary and Quantified Benefits	250,000	500,000
Bonus	100,000	100,000
Total	350,000	600,000
<b>Greg Duras</b>		
Salary and Quantified Benefits	90,000	180,000



Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control (\$)
Bonus	25,000	25,000
Total	115,000	205,000
TOTAL	815,000	1,405,000

No pension or retirement benefit plans have been instituted by the Company and none are proposed at this time.

### Other Compensation Matters

#### *Indebtedness of Directors and Executive Officers*

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

#### *Directors' and Officers' Insurance and Indemnification*

The Company maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Company's current insurance policy is in effect until January 8, 2024. An annual premium of \$18,750 has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy for both directors and officers is limited to \$5,000,000 with a \$25,000 retention amount (which is paid by the Company). No claims have been made or paid to date under such policy.

### CORPORATE GOVERNANCE PRACTICES

The following sets out the corporate governance practices of Black Swan and describes Black Swan's coordinated approach to continuous improvement and overarching principal to the delivery of long-term oriented governance, transparency and corporate citizenship. The Company's corporate governance practices comply with National Policy 58-201 – Corporate Governance Guidelines (“**NP 58-201**”), National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”), together with all other regulatory and statutory requirements.

#### Board of Directors

The Board of Directors (the “**Board**”) has the oversight responsibility and stewardship for the conduct of business of Black Swan Graphene Inc. (the “**Company**”). The Board's fundamental objectives are to maximize shareholder value by ensuring the Company meets its business objectives and operates in an ethical, safe and sustainable manner.

The Board operates by delegating certain authorities to Management and through constitution of committees of the Board and reserving certain powers to itself. The majority of the Board is comprised of independent Directors. The Chair of each Board committee acts within the parameters set by their respective committee charters which are reviewed annually.



The Board will engage in performance reviews for each of the CEO and the Chairman based on their respective roles and responsibilities.

### **Chairman of the Board**

The Chairman, Mr. Harry Swan, is considered by the Board to be independent of management. He was elected Chairman of the Board on September 28, 2022. Mr. Swan was nominated to stand as Chairman to act in the best interests of the Shareholders based on his financial acumen and experience with chemical products and advanced materials. Mr. Swan's expertise and broad international experience materially enhances the skills and experience of the Board.

Mr. Swan provides leadership to the Directors in discharging their duties effectively and independently of Management and continues to encourage a Board culture of openness and debate. To create a cohesive Board, he encourages sharing of each Director's unique knowledge, experience, and perspective on the Company's business. The Chairman represents the independent Directors in discussions with Management with respect to corporate governance, compensation and other matters.

The Chairman's role includes setting the agenda in consultation with the CEO; ensuring all required business is brought before the Board, such that, the Board is able to carry out all of its duties to manage or supervise the management of the business and affairs of the Company. The Chairman will lead the Board in strategic issues and shareholder views and will act as liaison between Management and the Board. The Chairman's performance is assessed annually and shared with the entire Board.

The Chairman, together with the President and CEO, will ensure that the Board, the Committees of the Board, individual Directors and the senior officers, understand and discharge their corporate governance obligations.

### **President and CEO**

Mr. Simon Marcotte was appointed President and CEO and a member of the Board of Directors on September 28, 2022. He is considered non-independent by the Board as a Management representative on the Board.

Mr. Marcotte offers sound business judgement, financial acumen, and resource experience to the Board together with unquestioned honesty, integrity and moral character. Mr. Marcotte encourages open communications with all employees and is steadfast towards the best interests of the Company and all its stakeholders.

Mr. Marcotte works collaboratively with the Board and is accountable for the performance of the Company by identifying business opportunities, related risks and risk mitigation strategies with the intent to enhance shareholder value through the discovery, acquisition, development and marketing of such business opportunities.

The CEO reports regularly to the Board in a spirit of openness and trust, on the progress of the business goals and objectives. He describes the potential impact on the Company's business goals and financial performance on material developments and the implementation of strategy. The CEO will set the budget and monitor the financial performance of the Company against such budget.

The CEO is accountable for the achievement of the Company's business goals and objectives in a socially and environmentally responsible manner which will guide the decisions and actions of the CEO.



## Responsibilities of the Board

The Board is responsible for establishing the overall policies and standards for the Company in the operation of its businesses and reviewing and approving the Company’s strategic plans. In addition, the Board monitors and assesses overall performance and progress in meeting the Company’s goals.

The Board consists of a majority of ‘Independent’ Directors as defined in National Instrument 52-110 – Audit Committees (“**NI 52-110**”). Simon Marcotte, Peter Damouni and Michael Edwards are considered related Directors by the Board because of their positions as President and CEO, Executive Director and COO respectively. The Board reviews the independent status of each board member at annually. In accordance with NI 52-110, the Independence Status checklist confirms that no ‘material relationship’ exists with the members of the Board and the Audit Committee that would prevent those nominated from acting independently of Management including a review of current and past commercial, charitable, industrial, banking, consulting and legal relationships. Detailed information regarding each Director, including other directorships, can be found in this Circular.

Board meeting frequency is determined by the business and affairs of the Company. The agenda is set by the Chairman in consultation with the CEO.

## Committees of the Board

The permanent committee of the Board includes the Audit Committee which reports directly to the Board.

The following is a description of the Audit Committee:

### Audit Committee

The Audit Committee is composed of three Directors the majority of whom are independent and all of whom meet the financial literacy and experience requirements of National Instrument 52-110 – Audit Committees and have the confidence to make responsible financial decisions on behalf of the Company. The Board reviews the independent status of each of the members of the Audit Committee annually and confirms their independence through the Company’s Independence Status checklist. The Audit Committee meets at least four times annually. The following table sets out the current members of the Audit Committee:

#### *Audit Committee*

<i>Chair</i>	Peter Damouni	Non-Independent
<i>Members</i>	Harry Swan	Independent
	Brad Humphrey	Independent

At each quarterly meeting, the Audit Committee reviews the Company’s interim financial statements and related Management, Discussion and Analysis as well as the annual audited financial statements of the Company and recommends approval of same by the Board. The Audit Committee reviews and recommends approval by the Board of any financing proposals the Audit Committee deems appropriate.

There is an annual review of the Company’s internal control processes and procedures and accounting and disclosure principles and practices followed by Management in preparation of the financial statements and other publicly reported financial information. The Audit Committee reports to the Board on any deficiencies



and material weaknesses identified. Risk Management systems and processes including significant financial risks or exposures are also reviewed by the Audit Committee presented to the Board for approval.

The Audit Committee maintains an action register for all Audit Committee actions including timeline and resolution of such actions which is reviewed at the beginning of each meeting. A copy of the Audit Committee Charter can be found at Schedule "B" hereto.

### External Auditor

The audit scope and plan of the external auditor is reviewed annually including a report to the Board on the performance of the external auditor. The Audit Committee pre-approves any non-audit services to be completed by the external auditor and sets the compensation of such external auditor. The Audit Committee meets independently with the external auditor at least once per year without the presence of Management.

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by McGovern Hurley LLP, Chartered Accountants, of Toronto, Ontario to the Company to ensure auditor independence. Fees incurred with McGovern Hurley LLP, Chartered Accountants, of Toronto, Ontario for audit and non-audit services in the last two fiscal years are outlined in the following table:

Financial Year Ending	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>(3)</sup>
December 31, 2022	\$50,000	Nil	\$86,246	Nil
December 31, 2021	\$N/A	Nil	\$N/A	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

### Compensation Program

The Board is responsible for overseeing the compensation program which is designed to reward such matters as market success, share performance and the ability to implement strategic plans, while providing its senior executives with a level of salary and benefits that is commensurate with other industry competitors. In determining compensation matters, the Board may consider a number of factors, including the Company's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The Board did not retain a compensation consultant in 2022. The Board may convene meetings without the presence of any related Director or non-independent member, at the pleasure of the independent members of the NGCC, and whom will be excused from attending meetings or voting on matters related to director nomination and compensation.

Management will undertake a comprehensive review of the Company's compensation philosophy including CEO and non-CEO officer and director compensation levels, incentive-compensation plans and equity-based plans including awards of stock option grants, RSUs and DSUs and make recommendations to the Board. See Statement of Executive Compensation, within this Circular for more information about the compensation levels received by Directors in 2022. The Board approves appointments of executives



reporting to the CEO and membership of the Executive Team and approves material changes to the organizational structure involving direct reports to the CEO.

### **Nomination and Succession Planning**

The Board manages the nomination process and succession planning process for the Company including appointing the CEO of the Company and shall determine the terms of such appointment and, together with the CEO, develop the roles and responsibilities of the CEO and set corporate goals and objectives; approve the appointment of executives reporting to the CEO and membership of the Executive Team, and approve material changes to the organizational structure involving direct reports to the CEO; develop succession plans for the Chairman and CEO and for direct reports to the CEO. The Board, together with the CEO, provide equal opportunity for the professional development and advancement of all employees of the Company; support innovation and continued learning opportunities including personal development.

A review of Board and committee composition will take place annually which includes the size and legal requirements of each Committee's composition including 'independent' status in accordance with NI 58-101. Management determines the appropriate number of directors to sit on the Board given the size of the Company, ensuring the Board operates in an efficient manner. The Board will identify qualified individuals to serve as members of the Board and its committees, recommending such individuals to the Board for election by shareholders at the next annual meeting and maintaining a list of potential directors. The Board takes several factors into consideration for new directors including reviewing the skills and competencies of the current directors with a view to enhancement of the Board and establishes and assesses measurable diversity objectives.

The Board intends to engage in a Skills and Competency Survey of the Board. The results of which will be collected by the Corporate Secretary with confidential and anonymous report provided to the Board on the results of the survey and questionnaire. The Board will review the Code of Business Conduct and Ethics Policy (the "**Code**") and report to the board on compliance.

All new directors receive a set of company policies and procedures for review including the Board mandate and committee charters, annual rolling calendar of meetings, corporate policies, and other relevant corporate and business information. Senior Management make regular presentations to the Board and outside advisors provide advice on a variety of corporate issues including Board practices, legal and regulatory compliance and liability.

### **Code of Business Conduct and Ethics**

Black Swan has adopted a Code of Business Conduct and Ethics (the "**Code**") which sets out the basic standards of ethical and legal business conduct and integrity to which we must hold ourselves accountable. The Code provides guidance for conducting our business activities and clearly explains the values and standards of behaviour expected from all employees, directors and officers of Black Swan.

We must hold ourselves accountable to the highest standard of business conduct and integrity; respecting the rights of others and acting responsibly is essential to achieving sustainable business practices in pursuit of our corporate goals. At Black Swan, we are committed to providing a workplace environment based on ethical business practices, mutual respect, honesty and integrity.



Conflicts of interest can arise in practically every area of our business. A 'conflict of interest' exists whenever an individual's personal interests interfere or conflict with the interests of Black Swan. We must strive to conduct ourselves, in an ethical and practical manner, whenever actual or apparent conflicts of interest may exist between personal and/or professional relationships. All decisions must be made in the best interests of Black Swan. As such we should avoid business, financial or other relationships with suppliers, customers or competitors that might impair or appear to impair how we exercise judgment.

Compliance with the Code is monitored by the Board. A copy of the Code can be found on [www.sedarplus.ca](http://www.sedarplus.ca) under the Black Swan profile.

### **Health, Safety, Environmental and Corporate Social Responsibility**

Providing a safe and healthy workplace is of utmost importance to Black Swan. Whether working in an office setting, worksite or mine site, it is prudent to follow safety and security procedures and always report any circumstance that appears to represent a threat or risk to ourselves, others or to the environment.

Black Swan will review the HSE, Sustainability and Business Conduct of all companies it does business with and will actively work to ensure that each company operates in line with Black Swan' Governance Standards and requirements.

### **Risk Management**

The Board, through its Audit Committee, reviews both economic and business risks for the Company annually.

The effectiveness of the Company's internal financial controls are reviewed annually to ensure the Company prepares timely financial statements in accordance with GAAP, and such financial statements are subject to an annual external independent audit. Management must seek Board approval for any transaction that would have a significant impact on the strategic plan.

### **Cybersecurity**

In 2023, the Board through its Audit Committee, adopted a Cybersecurity Policy. The purpose of the Cybersecurity Policy is to educate every employee, consultant, officer and director of the Company on cyber safety to support and promote cybersecurity in order to protect and strengthen Black Swan's computers, data, and internet-based systems found within cyberspace from unintended or unauthorized access, modification, robbery, and obliteration.

### **Market Disclosure**

We are committed to maintaining the highest standard of disclosure, ensuring that all investors and potential investors have the same access to timely, accurate, consistent and fair disclosure of information to enable them to make informed and orderly market decisions.

The Audit Committee manages compliance with market disclosure and is responsible for implementing reporting processes and controls for the release of information. The Audit Committee is responsible for monitoring all Company information placed on the website to ensure it is accurate, complete and up-to-date and in compliance with all relevant securities laws.

The Board, through its Audit Committee, have adopted a Timely, Disclosure and Insider Trading Policy. The purpose of this policy is to ensure that Black Swan and all persons to whom this policy applies understand:



- a) how to decide what information is material;
- b) the process for the timely disclosure of all material information; and
- c) their obligations to preserve the confidentiality of undisclosed material information.

The scope of this policy includes, but is not limited to, disclosures in documents filed with the securities regulators and written statements made in the Company's annual and quarterly reports, press releases, letters to shareholders, presentations by senior management and information contained on the Company's website, social media, and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

### **Insider Trading**

To safeguard against insider trading, the Company has implemented a Timely Disclosure and Insider Trading Policy which sets out the requirements and limitations for all directors, officers, employees and consultants of the Company in connection with the trading of securities. Each of whom are prohibited from purchasing or selling securities of the Company during the period of time beginning three (3) business days prior to the release of financial results for such fiscal quarter or such fiscal year end, until two (2) business days after they have been disclosed to the public. This is known as the "**Blackout**" period. The CFO of the Company communicates the blackout commencement date by email and advises when the Blackout period is complete.

### **Treatment of Minority Shareholders**

The Board engages and communicates with all shareholders at the annual shareholders meeting ensuring board representation is present and providing the opportunity for discussion. Key members of Management, including the CEO, Executive Director and CFO, are also present at the annual shareholders meeting. The Board ensures minority shareholders have voting rights, including proxy access, and that all shareholders are provided fair disclosure and equal treatment including communication via the Company's website at <https://blackswangraphene.com/> and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Black Swan' shares are listed on the TSX Venture Exchange TSX.V: SWAN, the OTCQB:AMRZF and XETRA: R96 with disclosure of all major transactions and material events posted on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Director Engagement/Election (Voting Standard)**

The Board and Management continuously communicate with shareholders through timely information posted to the Company's website, regulator websites, and other forms of social media. Shareholders are encouraged to sign-up to receive automated updates at our website <https://blackswangraphene.com/> or communicate via email with the CEO.

The Board is represented by one Director (usually the Chairman) and two senior executives (CEO and Executive Director) at each annual meeting of shareholders. The Chairman communicates to the Board on key shareholder issues.

The Directors have unfettered access to Management including all CEO reports.

The Directors will be elected by majority voting. The voting results by ballot from the three previous years' elections can be found on the individual profile pages for director nominees within the Circular.



## **Board Renewal**

In accordance with the constating documents of the Company, unless a director's office is vacated earlier, each director serves until the next annual meeting of shareholders, or until his or her successor is duly elected. The Company has not adopted term limits for the directors on its board or other mechanisms of Board renewal because the current board is composed of people that have unique skills and contacts that is considered appropriate for the Company at this stage of development.

Assembling a board of directors that has an appropriate mix of skills, experience and other qualities provides management with effective leadership and direction to support the Company's strategic growth. As a result, the Company does not impose term limits on its directors and has not adopted strict Board renewal criteria. While the Company recognizes the value of adding new and different perspectives to the Board from time to time, the Company also values the benefits to be achieved by continuity and the Company's directors having the opportunity to gain in-depth knowledge and experience with the Company's business and operations. The Company believes that the best means to achieve Board renewal is for it to happen organically, and in concert with a robust nomination process that considers a range of factors, including existing tenure and diversity, when identifying and selecting candidates for election and re-election to the Board. The Board assessment process helps determine Board effectiveness and identify areas it may need to enhance when recruiting new director candidates for nomination to the Board.

To identify new candidates for recommendation for appointment, the Board considers all aspects of board diversity to ensure the Board has complimentary and diverse skillsets, background and experiences. Diversity, along its multiple dimensions, is reviewed including gender diversity, technical skill-base and financial acumen. Black Swan recruits and promotes based on individual competence, experience, qualification, and performance.

## **Diversity**

Black Swan recognizes the benefits of gender diversity. As of the date of this Circular, none of the Company's directors were women, and one of the Company's officers (~17%) were women. The Company, at its current size and state of development, has not found it necessary to create a diversity policy to annually report on measurable objectives with respect to gender diversity.

As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy. The number of women and the overall diversity of the Board are specific factors the Company has and will continue to consider when it identifies and nominates candidates for election or re-election to the Board. Similarly, the Company also considers the representation of women and overall level of diversity when it identifies and appoints candidates for officer positions. The development and advancement of women within the Company is a goal that the Company is committed.

## **Orientation and Continuing Education**

Upon appointment, each new director receives orientation including a copy of the Code of Business Conduct and Ethics and other Company policies for review and signature. Each new director will receive Board mandate and committee charter and the rolling calendar of meetings.

The Board is continually educated on the Company's industry, board duties and obligations as well as benchmarked data and industry standard information. The Board mandate, committee charter and the Company policies are viewed annually and approved by the Board. Directors are encouraged to share experiences and to pursue educational opportunities to further their knowledge of directors' duties. Directors have full and unfettered access to officers and employees of the Company and may arrange meetings



either directly or through the Chairman, the President and CEO, the Executive Director, the CFO or the Corporate Secretary. Management provides business and strategy objectives status updates at each meeting of the Board.

### **Board Assessments**

Performance and effectiveness assessments will focus on creating shareholder value; how each Director contributes to the development of corporate strategy; understanding the major risks affecting the Company; commitment of time required to fulfil the role and responsibilities; respect of fellow Directors and Management opinions.

Board effectiveness is assessed through internal peer reviews. Each committee is to review and evaluate its performance and the performance of its members and will focus on the composition of each committee ensuring compliance with the Exchange and Securities Commission requirements and best practices.

To ensure the Board has members with complimentary and diverse skills, backgrounds and expertise, a Skills and Competencies Survey will be conducted annually to review its effectiveness with the results being provided to the Board. The Board will engage in Board and committee performance and effectiveness assessments.

### **ADDITIONAL INFORMATION AND CONTACT INFORMATION**

Additional information relating to the Company may be found under the profile of the Company on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information is provided in the Company's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2022, which can be found on the Black Swan website at [www.blackswangraphene.com](http://www.blackswangraphene.com) and under the profile of the Company on SEDAR+. Shareholders may also request these documents from the Corporate Secretary of the Company by calling toll-free in North American to 1-877-224-8826 or outside North American to 647-805-9353.

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

### **BY ORDER OF THE BOARD OF DIRECTORS**

By: (signed) "Simon Marcotte"  
Name: Simon Marcotte  
Title: President, CEO and Director

Toronto, Ontario  
October 13, 2023

**SCHEDULE "A"**  
**OMNIBUS INCENTIVE PLAN**

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**BLACK SWAN GRAPHENE INC.**  
**OMNIBUS EQUITY INCENTIVE PLAN**

**ESTABLISHMENT, PURPOSE, AND DURATION**

**(1) Establishment of the Plan**

Black Swan Graphene Inc. (the “**Company**”) hereby establishes an equity incentive plan to be known as the Omnibus Equity Incentive Plan (as the same may be amended from time to time in accordance with its terms, the “**Plan**”). The Plan permits the grant of Options to purchase common shares, Restricted Share Units, Deferred Share Units and Performance Share Units. The Plan was approved by the Board (as defined below) on August 2, 2022 (the “**Effective Date**”), subject to approval by the shareholders of the Company. The Plan shall commence as of the Effective Date, and shall remain in effect until terminated by the Board pursuant to Section 10(10) hereof.

**(2) Purposes**

The purposes of the Plan are: (i) to promote a significant alignment between officers and employees of the Company and its affiliates (as defined below) and the long term growth objectives of the Company; (ii) to associate a portion of participating employees’ compensation with the performance of the Company over the long term; and (iii) to attract, motivate and retain the key employees to drive the business success of the Company and its subsidiaries.

**INTERPRETATION**

**(1) Definitions**

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

“**affiliate**” has the meaning ascribed thereto in section 1.3 of *Regulation 45-106 respecting Prospectus Exemptions* (Québec), as amended from time to time.

“**Annual Board Retainer**” means the annual retainer paid by the Company to a director in a fiscal year for service on the Board, together with Board committee fees, attendance fees and retainers to committee chairs.

“**Applicable Withholding Taxes**” has the meaning set out in Section 3(4).

“**Award**” means an Option, RSU, PSU or DSU granted under the Plan.

“**Award Agreement**” means an Option Agreement, PSU Agreement, RSU Agreement or DSU Agreement pursuant to which an Award is granted, as the context requires.

“**Award Date**” means the date the Board grants an Award to a Participant under the Plan.

“**Blackout Period**” means any period imposed by the Company, during which specified individuals, including Insiders of the Company, are prohibited from trading in the Company’s securities pursuant to securities regulatory requirements or the Company’s written policies (including for greater certainty any period during which specific individuals are restricted from trading because they have undisclosed Material Information), but does not include any period when a regulator has halted trading in the Company’s securities.

**“Board”** means the board of directors of the Company as constituted from time to time, unless a Committee has been constituted and the Committee has been charged with the responsibility of administering the Plan, in which case all references in the Plan to the Board shall be deemed to be references to the Committee.

**“Business Day”** means any day, other than a Saturday, Sunday or statutory holiday in the Province of Québec, on which commercial banks in Montréal, Québec are open for business.

**“Change of Control”** means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company;
- (b) there is consummated an arrangement, amalgamation, merger or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Company’s consolidated assets to a Person other than a Person that was an affiliate of the Company at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exchange, license or other disposition;
- (d) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind-up the Company’s business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings of shareholders of the Company remain substantially the same following the re- arrangement); or
- (e) individuals who, as of the date hereof, are members of the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of the Plan, be considered as a member of the Incumbent Board

**“Committee”** means the committee of the Board responsible for recommending to the Board the compensation of the key employees, Directors and Consultants.

**“Company”** means Black Swan Graphene Inc. and any of its successors.

**“Consultant”** means an individual who:

- (a) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management, investor relations or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is defined in the *Securities Act* (Québec));
- (b) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity; and
- (c) 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 any Subsidiary.

**“Consultant Entity”** means a Consultant that is not an individual.

**“Deferred Share Unit”** or **“DSU”** means a unit designated as a Deferred Share Unit representing the right to receive one Share (or its cash equivalent) in accordance with the terms set forth in the Plan.

**“Director”** means a non-employee member of the board of directors of any Participating Entity.

**“Disability”** or **“Disabled”** means any incapacity or inability of a particular Participant, including any physical or mental incapacity, disease or affliction of the Participant as determined by a legally qualified medical practitioner or by a court, which has prevented or which will likely prevent the Participant from performing the essential duties of his position (taking into account reasonable accommodation by the Corporation) for a continuous period of 180 days or for any cumulative period of 270 days in any 360 consecutive day period;

**“DSU Agreement”** means a signed, written agreement between a DSU Participant and the Company, substantially in the form attached as Schedule “E” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a DSU has been granted under the Plan.

**“DSU Election Notice”** means an election notice substantially in the form attached hereto in Schedule “F” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable).

**“DSU Participant”** means a Director of the Company who has been designated by the Company for participation in the Plan, who has agreed to participate in the Plan and to whom Deferred Share Units have or will be granted hereunder.

**“DSU Payment Date”** means, with respect to a Deferred Share Unit granted to a DSU Participant, no later than December 31, of the fiscal year following the fiscal year in which the DSU Termination Date occurred.

**“DSU Settlement Notice”** means a notice, in substantially the form attached hereto in Schedule “G” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable), by the Company electing the desired form of settlement of Deferred Share Units.

**“DSU Termination Date”** of a DSU Participant means, the day that the DSU Participant ceases to be a Director of the Company and, if applicable, an employee of the Company for any reason.

**“Elected Amount”** has the meaning set out in Section 8(3)(a).

**“Exercise Notice”** means a notice in writing substantially in the form set out in Schedule “A” hereto signed by a Participant and stating the Participant’s intention to exercise a particular Option granted under the Plan.

**“Exercise Period”** means the period of time during which an Option granted under the Plan may be exercised.

**“Exercise Price”** means the price at which Shares may be purchased on the exercise of an Option granted under the Plan.

**“Expiry Date”** means:

- (a) in respect of any Option, the tenth (10<sup>th</sup>) anniversary of its Award Date unless an earlier date is specified by the Board; and
- (b) in respect of any Share Unit, the date specified in the applicable Award Agreement, if any, as the date on which the Share Unit will be terminated and cancelled or, if later or no such date is specified in the applicable Award Agreement, December 31 of the third (3<sup>rd</sup>) calendar year commencing after the Award Date, in the case of each, subject to extension in the event the Expiry Date occurs during a Blackout Period in which case, but subject to Section 4(5)(b) in respect of Share Units, the Expiry Date shall be extended until 10 Business Days after the end of the Blackout Period.

**“Insider”** has the meaning ascribed thereto in TSX-V Policy 1.1.

**“Investor Relations Activities”** has the meaning ascribed thereto in TSX-V Policy 1.1.

**“Investor Relations Service Provider”** has the meaning ascribed thereto in TSX-V Policy 4.4.

**“Market Value”** on any particular day means the market price of one (1) Share and shall be calculated by reference to the closing price for a board lot of Shares on the TSX-V, on that day, or if at least one (1) board lot of Shares shall not have been traded on the TSX-V on that day, on the immediately preceding day for which at least one (1) board lot was so traded (or, if such Shares are not listed and posted for trading on the TSX-V, on such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Shares as determined by the Board in its discretion.

**“Material Information”** has the meaning ascribed thereto in TSX-V Policy 1.1.

**“Option”** means a right granted to a Participant to purchase Shares on the terms set out in the Plan.

**“Option Agreement”** means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “B” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an Option has been granted under the Plan.

**“Outstanding Issue”** means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the grant of Award in question.

**“Participant”** means an employee, Director or Consultant of a Participating Entity who the Board determines may participate in the Plan (and includes, where appropriate, a DSU Participant).

**“Participating Entity”** means the Company and any affiliate of the Company which is designated by the Board from time to time.

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

**“Performance Period”** means, with respect to PSUs, the period specified by the Board for achievement of any applicable Performance Goals as a condition to Vesting.

**“Performance Share Unit”** or **“PSU”** means a right granted to a Participant to receive a Share or its cash equivalent that generally becomes Vested, if at all, following a period of continuous employment and subject to the attainment of Performance Goals and the satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.

**“Person”** means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in such person’s capacity as trustee, executor, administrator or other legal representative.

**“Plan”** has the meaning set out in Section 1(1).

**“Policy 4.4”** means Policy 4.4 – *Security Based Compensation* of the TSX-V Manual.

**“Predecessor Plan”** has the meaning set out in Section 1(3).

**“PSU Account”** has the meaning set out in Section 6(3).

**“PSU Agreement”** means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “C” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a PSU has been granted under the Plan.

**“PSU Settlement Date”** has the meaning set out in Section 6(5)(a)(i).

**“Restricted Share Unit”** or **“RSU”** means a right granted to a Participant to receive a Share or its cash equivalent that generally becomes Vested, if at all, following a period of continuous employment or tenure and subject to Time Vesting Conditions of the Participant with a Participating Entity.

**“Retirement”** means resignation in circumstances which the Board, in its discretion, determines is Retirement and on such terms as the Board may specify.

**“RSU Account”** has the meaning set out in Section 5(3).

**“RSU Agreement”** means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “D” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an RSU has been granted under the Plan.

**“RSU Settlement Date”** has the meaning set out in Section 5(4)(a)(i).

**“Security Based Compensation Plan”** has the meaning ascribed thereto in Policy 4.4.

**“Serious Reason”** means any act or failure to act by the Employee constituting a “serious reason” under Article 2094 of the *Civil Code of Québec*;

“**Share**” means a common share of the Company.

“**Share Unit**” means either an RSU or a PSU as the context requires.

“**Share Unit Settlement Notice**” means a notice, in substantially the form attached hereto in Schedule “H” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable), by the Company electing the desired form of settlement of Share Units.

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

“**Target Performance**” has the meaning set forth in Section 6(4);

“**Termination Date**” means a Participant’s last day of actual and active employment or the end of his or her term as a Director or Consultant, as applicable, and does not include any period of statutory, contractual or reasonable notice or any period of salary continuance or deemed employment.

“**Termination Notice**” has the meaning set out in Section 8(3)(a).

“**Time Vesting Conditions**” means any conditions relating to continued service with a Participating Entity for a period of time in respect of the Vesting of Share Units determined by the Board at the time of the Award.

“**TSX-V**” means the TSX Venture Exchange and any successor exchange.

“**TSX-V Manual**” means the TSX Venture Corporate Finance Manual, as amended from time to time, including such Staff Notices of the TSX-V from time to time which may supplement the same.

“**TSX-V Policy 1.1**” means Policy 1.1 – *Interpretation* of the TSX-V Manual.

“**Vested**” means (i) with respect to an Option, that it has become exercisable, and (ii) with respect to Share Units, the applicable Time Vesting Conditions, Performance Goals and/or any other conditions for Vesting in relation to a whole or a percentage of the number of Share Units covered by an Award determined by the Board in connection with each RSU or PSU granted pursuant to the Plan, as the case may be, have been met. “**Vest**” and “**Vesting**” have corresponding meanings.

“**Vesting Date**” means a date on which the applicable Time Vesting Conditions, Performance Goals for the Performance Period and/or any other conditions for a Share Unit becoming Vested are met.

“**Vesting Period**” means, with respect to an Award, a period specified by the Board, commencing on the Award Date and ending no later than immediately prior to the Expiry Date.

## **(2) Interpretation**

The Plan is to be interpreted as follows:

- (a) The use of headings is for ease of reference only and does not affect construction or interpretation of the Plan.
- (b) Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.
- (c) References to Sections and Subsections are references to sections and subsections in the Plan, unless otherwise specified.

- (d) All amounts paid or values to be determined under the Plan shall be in Canadian dollars. Values determined in currencies other than Canadian dollars shall be converted into Canadian dollars using the prevailing applicable exchange rates on the day of grant. Any amounts paid in currencies other than Canadian dollars shall be converted from Canadian dollars to such other currency using the applicable prevailing exchange rate on the date preceding such payment.
- (e) Whenever the Board is to exercise discretion in the administration of the terms and conditions of the Plan or any Award, the term “discretion” means the “sole and absolute discretion” of the Board.
- (f) Where the words “including” or “includes” appear in the Plan, they mean “including (or includes) without limitation”.

## **ADMINISTRATION**

### **(1) Administration**

The Plan will be administered by the Board and the Board has complete authority, in its discretion, to interpret the provisions of the Plan. In administering and interpreting the Plan, the Board may adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan which the Board determines, in its discretion, are necessary or advisable. The Board's determinations and actions within its authority under the Plan are final, conclusive and binding on the Company, its affiliates and all other Persons.

### **(2) Delegation to Committee**

To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee all or any of the powers conferred on the Board under the Plan. In such event, references to the Board mean and include the Committee and the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decisions made or actions taken by the Committee arising out of or in connection with the administration or interpretation of the Plan within its authority under the Plan, are final, conclusive and binding on the Participating Entities and all other Persons.

### **(3) Eligibility**

Participation in the Plan is entirely voluntary.

All employees and Directors of Participating Entities are eligible to participate in the Plan. In addition, and subject to applicable laws, the Board may determine in its discretion which Consultants are eligible to participate in the Plan. However, under no circumstances (i) may grants of PSUs be made to Directors under the Plan, (ii) may grants of RSUs or PSUs be made to Consultants under the Plan and (iii) may grants of RSUs, PSUs or DSUs be made to an Investor Relations Service Provider under the Plan.

Eligibility to participate in the Plan does not confer upon any Person any right to be granted Awards pursuant to the Plan. In addition, no Participant has any claim or right to be granted an Award (including an Award granted in substitution for any Award that has expired pursuant to the terms of the Plan).

### **(4) Taxes and Other Source Deductions**

Notwithstanding any other provision contained herein, the relevant Participating Entity shall be entitled to withhold from any amount payable to a Participant, either under the Plan or otherwise, such amounts as may be necessary so as to ensure that the relevant Participating Entity is in compliance with all applicable

withholding tax or other source deduction liabilities relating to the settlement of Awards hereunder (the “**Applicable Withholding Taxes**”). Further, the relevant Participating Entity may elect to settle the cash equivalent amount in installments over the year in which the Award vests in accordance with local employment practices. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified in applicable laws as a result of the Participant’s participation in the Plan. The Company shall not be held responsible for any tax consequences to a Participant as a result of the Participant’s participation in the Plan and the Participant shall indemnify and save harmless the Company from and against any and all loss, liability, damage, penalty or expense (including legal expense), which may be asserted against the Company or which the Company may suffer or incur arising out of, resulting from, or relating in any manner whatsoever to any tax liability in connection therewith. For greater certainty, unless not required under the *Income Tax Act* (Canada) or any other applicable law, no cash payment will be made nor will Shares be issued until: (a) an amount sufficient to cover the Applicable Withholding Taxes payable on the settlement of Awards (including, for certainty, the exercise of any Options) has been received by the Company (or withheld by the Company as noted above, if applicable); (b) the Participant undertakes to arrange, in a manner satisfactory to the Board, in its discretion, for such number of Shares to be sold as is necessary to raise an amount equal to the Applicable Withholding Taxes, and to cause the proceeds from the sale of such Shares to be delivered to the Company; or (c) the Participant has made other arrangements, satisfactory to the Board, in its discretion, to cover the Applicable Withholding Taxes payable on the settlement of Awards (including, for certainty, the exercise of any Options).

#### **(5) Information**

Each Participant shall provide the Company with all information the Company requires from that Participant in order to administer the Plan.

#### **(6) Indemnification**

Each member of the Board and Committee is indemnified and held harmless by the Company against any cost or expense arising out of any act or omission to act in connection with the Plan to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise.

#### **(7) Governing Law**

The Plan and all Award Agreements entered into pursuant to the Plan shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Québec and the federal laws of Canada applicable in that province.

#### **(8) Total Shares Subject to Awards**

Notwithstanding any other provision contained in the Plan, the maximum number of Shares available for issuance pursuant to the Plan and any other Security Based Compensation Plan of the Company shall not exceed 10% of the Outstanding Issue from time to time. In addition, the grant of Awards under the Plan is subject to the following additional limitations:

- (a) the aggregate number of Shares issuable to Insiders of the Company under the Plan or any other Security Based Compensation Plan of the Company shall not at any time exceed 10% of the Outstanding Issue and the aggregate number of Shares issuable to Insiders of the Company under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not exceed 10% of the Outstanding Issue as at the date any Award is granted to any Insider of the Company (unless the Company has obtained disinterested shareholder approval in respect thereof);

- (b) the aggregate number of Shares issuable to any one Person under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 5% of the Outstanding Issue as at the date any Award is granted to the Person (unless the Company has obtained disinterested shareholder approval in respect thereof);
- (c) the aggregate number of Shares issuable to any one Consultant under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 2% of the Outstanding Issue as at the date any Award is granted to the Consultant; and
- (d) the aggregate number of Shares issuable to all Persons retained to provide Investor Relations Activities under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 2% of the Outstanding Issue as at the date any Option is granted to the Persons retained to provide Investor Relations Activities.

If for any reason, any Shares subject to issuance on the exercise of Options granted under the Plan are not issued, for reasons including the termination, expiration or cancellation of an Option, such Shares will again become available for issuance under the Plan. If any Share Units or DSUs granted under the Plan expire, terminate or are cancelled for any reason without being settled in the form of Shares issued from treasury, such Shares will again become available for issuance under the Plan.

The Plan is not considered an “evergreen” plan, since the Awards which have been exercised shall not be available for subsequent grants under the Plan and the number of Awards available to grant decreases as the number of issued and outstanding Shares increases.

### **(9) Award Agreements**

All grants of Awards under the Plan will be evidenced by Award Agreements. Any one officer or director of the Company is authorized and empowered to execute on behalf of the Company and deliver an Award Agreement to a Participant.

### **(10) Copy of Plan**

Each Participant, concurrently with the notice of the grant of the Award, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Board to each Participant.

## **OPTIONS**

### **(1) Grant of Options**

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant Options to any Participant, and the Participant shall execute an Option Agreement evidencing the same.

### **(2) Terms and Conditions of Options**

Subject to this Section 4, the Board shall determine the following in its discretion with respect to each Option:

- (a) the number of Shares issuable on the exercise of such Option;
- (b) the Exercise Price subject to Section 4(3);
- (c) the Expiry Date;

- (d) the Vesting schedule, if any; and
- (e) such other terms and conditions as the Board may consider appropriate in its discretion,

provided, that Options granted to Persons retained to provide Investor Relations Activities shall Vest in stages over a period of not less than twelve (12) months with no more than 1/4 of the Options Vesting in any three-month period.

### **(3) Exercise Price**

The Exercise Price under any Option will be as determined by the Board but may not be less than the Market Value of a Share at the Award Date.

### **(4) Term of Options**

Subject to Section 4(8) and to any accelerated termination pursuant to the Plan, each Option expires on the Expiry Date. For greater certainty, each Option may be exercised at the latest on the 10<sup>th</sup> anniversary of the date it was granted.

### **(5) Payment of Exercise Price**

Subject to the provisions of the Plan and any Option Agreement, Options may be exercised by delivery of a fully completed Exercise Notice to the Chief Executive Officer and/or Chief Financial Officer of the Company accompanied by payment in full of the applicable Exercise Price and any Applicable Withholding Taxes. The Exercise Price and any Applicable Withholding Taxes may be paid by wire transfer, certified cheque, bank draft or money order payable to the Company.

### **(6) Issue of Shares**

No Shares will be issued or transferred until full payment of the Exercise Price therefor and any Applicable Withholding Taxes have been received by the Company and all conditions to the issue of the Shares have been met. As soon as practicable after receipt of any Exercise Notice and full payment of the Exercise Price and the satisfaction of all conditions to the issue of the Shares, the Company will deliver to the Participant a certificate or certificates representing the acquired Shares.

### **(7) Conditions to Delivery of Shares**

The Company's obligation to issue and deliver Shares upon the exercise of any Option is subject to:

- (a) the satisfaction of all requirements under applicable laws in respect thereof and obtaining all approvals the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including shareholder approval, if required; and
- (b) if such Shares are listed on any stock exchange or quotation market in Canada, compliance with the requirements of such stock exchanges or quotation markets.

### **(8) Extension of Options that Expire During a Blackout Period**

If an Option would otherwise expire during a Blackout Period, the term of such Option shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

### **(9) Effect of Exercise**

A Participant shall have no further rights, title or interest with respect to any Option that has been exercised.

## RESTRICTED SHARE UNITS

### (1) Grant of RSUs

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant RSUs to any Participant, and the Participant shall execute an RSU Agreement. Each RSU will consist of a right to receive a Share, cash payment or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.

### (2) Number of RSUs

- (a) Each RSU Award Agreement shall set forth the type and Award Date of the Share Units evidenced thereby, the number of RSUs subject to such Award, the applicable Vesting conditions, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan.
- (b) The number of RSUs, including fractional RSUs, granted at any particular time pursuant to this Section 5 will be calculated by dividing (i) the amount payment that is to be paid in RSUs, as determined by the Board, by (ii) the greater of (A) the Market Value of a Share on the Award Date; and (B) such amount as determined by the Board in its discretion.
- (c) One (1) RSU is equivalent to one (1) Share.

### (3) RSU Accounts

An account, called a “**RSU Account**”, shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of Share Units as are received by a Participant from time to time. RSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's RSU Account as of the date on which such RSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

### (4) Settlement of RSUs

- (a) Except as otherwise provided in an Award Agreement:
  - (i) all of the Vested RSUs covered by a particular grant and related RSUs may be settled on the first Business Day following their Vesting Date (the “**RSU Settlement Date**”);
  - (ii) the Company is entitled to deliver to the Participant, within ten (10) Business Days following the RSU Settlement Date, a Share Unit Settlement Notice providing for the method of settlement for the Share Units in respect of any or all Vested Share Units held by the Participant; and
  - (iii) in the Share Unit Settlement Notice, the Company will elect, at the Board's discretion, including with respect to any fractional Share Units, to settle Vested Share Units for their cash equivalent (determined in accordance with Section 5(5)(a)), Shares (determined in accordance with Section 5(5)(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).

- (b) Except as otherwise provided in an Award Agreement, subject to Section 5(4)(c), settlement of Share Units shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:
  - (i) in the case of settlement of RSUs for their cash equivalent, delivery of the cash equivalent to the Participant;
  - (ii) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
  - (iii) in the case of a settlement of RSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a RSU would otherwise expire during a Blackout Period, the term of such RSU shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the RSU Settlement Date (and any subsequent payment with respect thereof) for any RSU granted hereunder be made later than the end of the third calendar year after the first year of a Participant's services in respect of which the RSUs were granted or credited, and any RSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the discretion of the Board, subject to the Company's compliance with Policy 4.4.

- (c) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of his or her RSUs within 10 Business Days following the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 5(5)(b).

## **(5) Determination of Amounts**

- (a) For the purposes of determining the cash equivalent of RSUs to be made pursuant to Section 5(4)(b)(i) or Section 5(4)(b)(iii), such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of Vested Share Units in the Participant's RSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5(4)(b)(ii) or Section 5(4)(b)(iii), such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then recorded in the RSU Account which the Company desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional RSUs by (ii) the Market Value on the RSU Settlement Date.

## PERFORMANCE SHARE UNITS

### (1) Grant of PSUs

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant PSUs to any Participant, and the Participant shall execute a PSU Agreement. Each PSU will consist of a right to receive a Share, cash payment or a combination thereof (as provided in Section 6(6)(a)), upon the achievement of such Performance Goals during such Performance Periods as the Board shall establish.

### (2) Number and Type of Share Units

- (a) Each Award Agreement shall set forth the type and Award Date of the PSUs evidenced thereby, the number of PSUs subject to such Award, the applicable Vesting conditions including the Performance Goals to be achieved during any Performance Period, the length of any Performance Period, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan.
- (b) PSUs that are subject to Performance Goals and may become Vested PSUs based on a multiplier, which may be greater or less than 100%, subject to such percentage being no greater than 200%.

### (3) PSU Account

An account, called a “**PSU Account**”, shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of PSUs as are received by a Participant from time to time. PSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant’s PSU Account as of the date on which such PSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

### (4) Performance Goals

The Board will issue Performance Goals prior to the Award Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the Performance Goals as necessary to align them with the Company’s corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) (“**Target Performance**”), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

### (5) Settlement of PSUs

- (a) Except as otherwise provided in an Award Agreement:
  - (i) all of the Vested PSUs covered by a particular grant and related Share Units may be settled on the first Business Day following their Vesting Date (the “**PSU Settlement Date**”);
  - (ii) the Company is entitled to deliver to the Participant, within ten (10) Business Days following the PSU Settlement Date, a Share Unit Settlement Notice

providing for the method of settlement for the PSUs in respect of any or all Vested Share Units held by the Participant; and

- (iii) in the Share Unit Settlement Notice, the Company will elect, at the Board's discretion, including with respect to any fractional PSUs, to settle Vested Share Units for their cash equivalent (determined in accordance with Section 6(6)(a)), Shares (determined in accordance with Section 6(6)(b)) or a combination thereof; provided, however, that the Company (i) shall ensure that the issuance of any Share be within the limits set forth in Section 3(8), and (ii) shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).
- (b) Except as otherwise provided in an Award Agreement, subject to Section 6(5)(c), settlement of PSUs shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:
- (i) in the case of settlement of PSUs for their cash equivalent, delivery of the cash equivalent to the Participant;
  - (ii) in the case of settlement of PSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
  - (iii) in the case of a settlement of PSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a PSUs would otherwise expire during a Blackout Period, the term of such Share Unit shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the PSU Settlement Date (and any subsequent payment with respect thereof) for any PSUs granted hereunder be made later than the end of the third calendar year after the first year of a Participant's services in respect of which the PSUs were granted or credited, and any PSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the discretion of the Board, subject to the Company's compliance with Policy 4.4.

- (c) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of his or her PSUs within 10 Business Days following the PSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 6(6)(b).

## **(6) Determination of Amounts**

- (a) For the purposes of determining the cash equivalent of PSUs to be made pursuant to Section 6(5)(b)(i) or Section 6(5)(b)(iii), such calculation will be made on the PSU Settlement Date based on the Market Value on the PSU Settlement Date multiplied by the number of Vested Share Units in the Participant's PSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of PSUs pursuant to Section 6(5)(b)(ii) or

Section 6(5)(b)(iii), such calculation will be made on the PSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then recorded in the PSU Account which the Company desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Share Units by (ii) the Market Value on the PSU Settlement Date.

## **CLAW-BACK PROVISIONS**

If the Board determines that a Participant engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes Serious Reason for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Company), that Participant may be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Shares issued or issuable upon redemption or exercise of an Award or any cash received on redemption of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the applicable securities commissions or similar regulatory authorities of the financial statements required to be restated. The term "proceeds" means, with respect to any sale or other disposition of Shares issued or issuable upon exercise or redemption of an Award, an amount determined appropriate (on an "after-tax" basis taking into account any tax recoupment possible after the claw-back) by the Board to reflect the effect of the restatement on the Company's financial statements, up to:

- (a) the amount equal to the number of Shares sold or disposed of multiplied by the difference between the Market Value per Share the time of such sale or disposition and the Exercise Price; or
- (b) in the case of a redemption for cash, the total amount received by the Participant in cash.

The Board may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board's power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Company or its subsidiaries. The amounts which may be clawed-back under this Section 7 are a reasonable pre-estimate of the damages which would be suffered by the Company in the event of the misconduct described above by a Participant and shall not be construed as a penalty. If any court or arbitrator determines that any provision contained in this Section 7 is unenforceable because of the duration of the provision or for any other reason, the duration or scope of the provision, as the case may be, shall be reduced so that the provision becomes enforceable and, in its reduced form, the provision shall then be enforceable and shall be enforced.

## **DEFERRED SHARE UNITS**

### **(1) Grant of Deferred Share Units**

Subject to this Section 8, the Board may recommend the grant of, from time to time, Deferred Share Units to a DSU Participant. The grant of a Deferred Share Unit shall be evidenced by a DSU Agreement, signed on behalf of the Company. The Company shall maintain a notional account for each DSU Participant, in which shall be recorded the number of Deferred Share Units granted or credited to such DSU Participant. The grant of a Deferred Share Unit to a DSU Participant, or the settlement of a Deferred Share Unit, under

the Plan shall neither entitle each DSU Participant to receive nor preclude such DSU Participant from receiving subsequently granted Deferred Share Units.

## **(2) Equivalence**

One (1) Deferred Share Unit is equivalent to one (1) Share. Fractional Deferred Share Units are permitted under the Plan.

## **(3) Election Notice; Elected Amount.**

- (a) Subject to Board approval, a DSU Participant may elect by filing a DSU Election Notice, once each fiscal year, to be paid up to one hundred percent (100%) of his or her Annual Board Retainer in the form of Deferred Share Units (the “**Elected Amount**”), with the balance being paid in cash in accordance with the Company’s regular practices of paying such cash compensation. In the case of an existing DSU Participant, the election must be completed, signed and delivered to the Company by the end of the fiscal year preceding the fiscal year to which such election is to apply. In the case of a new DSU Participant, the election must be completed, signed and delivered to the Company as soon as possible, and, in any event, no later than 30 days, after the director’s appointment, with such election to be effective on the first day of the fiscal quarter of the Company next following the date of the Company’s receipt of the election until the final day of such fiscal year. For the first year of the Plan, DSU Participants must make such election as soon as possible, and, in any event, no later than 30 days, after adoption of the Plan and the election shall be effective on the first day of the fiscal quarter of the Company next following the date of the Company’s receipt of the election until the final day of such fiscal year. If no election is made in respect of a particular fiscal year, the new or existing DSU Participant will be paid in cash in accordance with the Company’s regular practices of paying such cash compensation.
- (b) The DSU Election Notice shall, subject to any minimum amount that may be required by the Board, from time to time, designate the percentage of the Annual Board Retainer for the applicable fiscal year that is to be deferred into Deferred Share Units, with the remaining percentage to be paid in cash in accordance with the Company’s regular practices of paying such cash compensation.
- (c) In the absence of a designation to the contrary (including delivery of a DSU Election Notice by a DSU Participant requesting that a greater or lesser percentage of his or her Annual Board Retainer be payable in the form of Deferred Share Units relative to the percentage previously elected by such DSU Participant), the DSU Participant’s Election Notice shall remain in effect unless otherwise terminated.

## **(4) Termination Right**

- (a) Each DSU Participant is entitled to terminate his or her DSU Election Notice by filing with the Chief Financial Officer of the Company, or such other officer of the Company designated by the Board, a notice electing to terminate the receipt of additional Deferred Share Units in substantially the form of Schedule “I” attached hereto (a “**Termination Notice**”). Such Termination Notice shall be effective as of the date received by the Company.
- (b) Thereafter, any portion of such DSU Participant’s Annual Board Retainer payable, and subject to compliance with Section 8(3), all subsequent Annual Board Retainers shall be paid in cash in accordance with the Company’s regular practices of paying such cash compensation.

## **(5) Calculation**

The number of Deferred Share Units (including fractional Deferred Share Units) granted at any particular time pursuant to the Plan will be calculated by: (a) in the case of an Elected Amount, by dividing (i) the dollar amount of the Elected Amount allocated to the DSU Participant by (ii) the Market Value of a Share on the applicable Award Date; or (b) in the case of a grant of Deferred Share Units pursuant to Section 8(1), by dividing (i) the dollar amount of such grant by (ii) the Market Value of a Share on the date of grant.

## **(6) Vesting**

All Deferred Share Units recorded in a DSU Participant's Deferred Share Unit notional account shall vest on the DSU Termination Date, unless otherwise determined by the Board at its discretion, in compliance with Section 10(10)(h) and subject to the Company's compliance with Policy 4.4.

## **(7) Settlement in respect of Deferred Share Units**

- (a) In respect of an award of Deferred Share Units granted to a DSU Participant, settlement shall be as soon as practicable following the DSU Termination Date and no later than the DSU Payment Date.
- (b) Within ten (10) Business Days following the DSU Termination Date, the Company shall deliver to the DSU Participant (or where the DSU Participant has died, the legal representative of the DSU Participant) a DSU Settlement Notice providing for the method of settlement for the Deferred Share Units in respect of all Deferred Share Units held by the DSU Participant.
- (c) In the DSU Settlement Notice, the Company will elect, in the Board's discretion, including with respect to any fractional Deferred Share Units, to settle the Deferred Share Units for their cash equivalent (determined in accordance with Section 8(7)(a)), Shares (determined in accordance with Section 8(7)(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a DSU Settlement Notice has already been delivered to the DSU Participant).
- (d) Except as otherwise provided in an Award Agreement, subject to Section 8(7), settlement of Deferred Share Units shall take place promptly following deliver of a DSU Settlement Notice and take the form set out in the DSU Settlement Notice (unless otherwise modified by the Company) through:
  - (i) in the case of settlement of Deferred Share Units for their cash equivalent, delivery of the cash equivalent to the DSU Participant;
  - (ii) in the case of the settlement of Deferred Share Units for Shares, delivery of a share certificate to the DSU Participant or the entry of the DSU Participant's name on the share register for the Shares; or
  - (iii) in the case of a settlement of Deferred Share Units for a combination of Shares and cash, a combination of (i) and (ii) above.
- (e) If a DSU Settlement Notice is not received by a DSU Participant in respect of his or her Deferred Share Units within ten (10) Business Days following the DSU Termination Date, settlement shall take the form of Shares issued from treasury as set out in Section 8(7)(b).

## **(8) Determination of Amounts**

- (a) For a cash settlement, for purposes of determining the aggregate Market Value of the Shares which would otherwise be issuable in settlement of such DSUs, such calculation will be made based on the Market Value on the DSU Termination Date multiplied by the number of Deferred Share Units in the Participant's Deferred Share Unit notional account as of the DSU Termination Date.
- (b) For the purposes of determining the number of Shares to be issued from treasury and delivered to a DSU Participant upon settlement of Deferred Share Units, such calculation will be made on the DSU Termination Date, or if the DSU Termination Date is not a Business Day, on the next such Business Day, based on the whole number of Shares equal to the whole number of Deferred Share Units then recorded in the Participant's Deferred Share Unit notional account. Shares issued from treasury will be issued in consideration for the past services of the DSU Participant to the Company and the entitlement of the DSU Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the DSU Participant with respect to the value of fractional Deferred Share Units standing to the DSU Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Deferred Share Units by (ii) the Market Value on the DSU Termination Date.

## **TERMINATION OF EMPLOYMENT OR TENURE**

### **(1) Resignation**

If a Participant resigns from employment or as a director or Consultant with a Participating Entity, the Participant shall forfeit all rights, title and interest in the Participant's Awards which are not Vested on the date the notice of resignation is delivered to the Company. The Participant may exercise the Participant's Options which are Vested on the date the notice of resignation is delivered to the Company until the earlier of: (i) the end of the Exercise Period; and (ii) 30 days after the date the notice of resignation is delivered to the Company, after which time all Options expire.

### **(2) Termination for Serious Reason**

If a Participant's employment is terminated by a Participating Entity for Serious Reason or the Participant ceases to be a director or Consultant on a similar basis, the Participant shall forfeit all rights, title and interest in all the Participant's Awards, whether Vested or not Vested at the Termination Date.

### **(3) Retirement, Death, Disability and Disposition of a Participating Entity**

If a Participant's employment or other position with a Participating Entity ceases because of the death, Disability or Retirement of the Participant, or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity:

- (a) all of the Options that would Vest in the one year period following the Termination Date will vest immediately prior to the Termination Date;
- (b) if a Participant's RSUs have not Vested, subject to the Board's approval, a pro rata portion of the Participant's RSUs that are scheduled to Vest on the next scheduled Vesting Date set forth in the RSU Agreement for such RSUs will Vest, based on the number of days that have elapsed between the Award Date and the Termination Date, and such RSUs will be settled in accordance with the provisions of Section 5 on the next scheduled Vesting Date set forth in the RSU Agreement;

- (c) if a Participant's PSUs have not Vested, any PSUs standing to the credit of such Participant shall continue to Vest (and be settled) in the normal course for a period of ninety (90) days extending from the end of the fiscal year in which the Termination Date occurs (the "**90 Day Period**"). Subject to the Board's approval, any PSUs which do not Vest in the normal course during the 90 Day Period shall Vest pro rata upon the Termination Date to take into account only the period that has elapsed between the Award Date and the Termination Date, provided the Performance Goals are satisfied in respect of the applicable Performance Period in which the Termination Date occurs; and
- (d) any such Vested Option, RSU or PSU may be exercised by the Participant (or, where the Participant has died, his or her legal representatives), provided that such Option, RSU or PSU shall in no event expire later than the earlier of (i) one (1) year following the Termination Date, and (ii) the expiry date of such Option, RSU or PSU, as the case may be.

#### **(4) Termination without Serious Reasons**

If a Participant's employment is terminated without Serious Reasons, the Participant resigns because he or she has been constructively dismissed, or the Participant ceases to be a director or Consultant on a similar basis then:

- (a) all of the Participant's Options which are Vested on the Termination Date may be exercised until the earlier of the Expiry Date or 90 days after the Termination Date, after which time all Options expire;
- (b) a Participant's RSUs that have not Vested shall Vest in accordance with Section 9(4)(b), provided that such RSUs shall in no event be settled later than the earlier of (i) one (1) year following the Termination Date, and (ii) the expiry date of such RSUs; and
- (c) a Participant's PSUs that have not Vested shall Vest in accordance with Section 9(4)(c), provided that such PSUs shall in no event be settled later than the earlier of (i) one (1) year following the Termination Date, and (ii) the expiry date of such PSUs.

#### **(5) Discretion to Permit Exercise**

Subject to applicable laws, the Board may, in its discretion, at any time permit the exercise of any or all Options held by the Participant or by the Participant's estate, as the case may be, in the manner and on the terms authorized by the Board in its discretion, provided that the Board may not, in any case, authorize the exercise of an Option pursuant to this Section beyond the expiration of the Exercise Period of the particular Option.

#### **(6) Unexercisable Options**

Except in connection with the death, Disability or Retirement of a Participant or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity as provided for in Section 9(3), any Options held by the Participant that were not exercisable or Vested at the Termination Date shall immediately expire and be cancelled on such date.

## **(7) Leave of Absence**

For the purposes of the Plan, a Participant who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of the Company or the applicable Participating Entity, as applicable, during such leave of absence.

## **(8) No Entitlement to Damages**

A Participant shall have no entitlement to damages or other compensation arising from or related to not receiving a grant of Options, RSUs, PSUs or Shares which would have been made to the Participant or which would have Vested after the Participant's termination date. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

## **GENERAL**

### **(1) General**

The provisions contained in the Plan and any Award Agreement and the existence of any Awards shall not affect in any way the right of the Company or its shareholders or affiliates to take any action, including any change in the Company's capital structure or its business, or any acquisition, disposition, amalgamation, combination, merger or consolidation, or the creation or issuance of any bonds, debentures, shares or other securities of the Company or of an affiliate thereof or the determination of the rights and conditions attaching thereto, or the dissolution or liquidation of the Company or of any of its affiliates or any sale or transfer of all or any part of their respective assets or businesses or ceasing to be a reporting issuer or to be listed on any stock exchange, whether or not any such corporate action or proceeding would have an adverse effect on the Plan or any Awards granted hereunder.

### **(2) Reorganization of the Company's Capital**

If the Company effects a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), or if any other change is made in the capitalization of the Company that, in the opinion of the Board, would warrant the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options; or
- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion, subject to (i) the limits set forth in Section 3(8), (ii) the Company's compliance with Policy 4.4, and (iii) the Board's capacity to elect to effect such adjustment through payments in cash in lieu of adjusting the number of Shares or the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable. Notwithstanding the foregoing, any adjustment made by the Company as set forth in this Section 10(2), except for such adjustment made in connection with a subdivision or consolidation of Shares, shall be subject to the approval of the TSX-V.

### **(3) Other Events Affecting the Company**

In the event of an amalgamation, arrangement, combination, spin-off or other reorganization or any other corporate transaction having a similar effect involving the Company that, in the opinion of the Board, warrants the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options;
- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable; or
- (d) the kind of shares covered by outstanding Awards,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion. Notwithstanding the foregoing, any adjustment made by the Company as set forth in this Section 10(3) shall be subject to the approval of the TSX-V.

### **(4) Immediate Exercise of Awards**

Where the Board determines that the steps provided in Section 10(2) and Section 10(3) would not preserve proportionately the rights and obligations of the Participants in the circumstances or the Board otherwise determines that it is appropriate, subject to the Company's compliance with Policy 4.4 and the approval of the TSX-V, the Board may permit the Vesting and exercise, as applicable, effective no later than the Business Day immediately prior to the date on which the event referenced in Section 10(2) or Section 10(3), as applicable, is consummated, of any outstanding Awards that are not then otherwise Vested and the cancellation of any outstanding Options which are not exercised within any specified period.

### **(5) Change of Control**

In the event of a Change of Control, the Board may accelerate the expiry of Options granted under the Plan to the Business Day immediately following the date on which such Change of Control is consummated, provided that:

- (a) the Board accelerates the Vesting of the Options prior to the date on which the Change of Control is consummated;
- (b) the Company gives notice of the accelerated Vesting and expiry to all Participants not less than ten (10) Business Days prior to the date of consummation of the Change of Control;
- (c) the acceleration of the Vesting of Options held by Persons retained to provide Investor Relations Activities shall be subject to the approval of the TSX-V; and
- (d) any acceleration shall be subject to the Company's compliance with Policy 4.4.

In the event of a Change of Control, the Board shall have the authority to take all necessary steps so as to ensure the preservation of the economic interests of the Participants in, and to prevent the dilution or enlargement of, any RSUs or PSUs, including: (i) ensuring that the Company or any entity which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Change of Control becoming effective will provide each Participant with new or replacement or amended RSUs or PSUs, as the case may be, which will continue to Vest following the Change of Control on similar terms

and conditions as provided in the Plan; (ii) causing all or a portion of the outstanding Share Units to Vest immediately prior to the Change of Control; or (ii) any combination of the above.

In addition, in the event of a Change of Control, for each Option with an Exercise Price greater than the consideration offered in connection with any such transaction, the Board may in its discretion elect to cancel such Option without any payment to the Participant holding such Option.

## **(6) Fractional Shares**

No fractional Shares will be issued on the exercise of an Option or the settlement of a Share Unit. Accordingly, if as a result of any adjustment to either the Exercise Price or the number of Shares issuable on exercise of an Option is made pursuant to the Plan, or to the number of Share Units in the Participant's Share Unit account, the Participant would become entitled to receive a fractional Share on the exercise of an Option or the settlement of a Share Unit, the Participant has the right to acquire only the number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares so disregarded.

## **(7) Legal Requirement**

The Company is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its discretion, such action would constitute a violation by a Participant or the Company of any provision of any applicable statutory or regulatory requirement of any government or governmental authority. No Award will be granted, and no Shares will be issued under the Plan, where such grant or issue would require registration of the Plan or of the Awards or Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Award or purported issue of any Shares under the Plan in violation of this provision is void. Shares issued to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

## **(8) Participant's Entitlement**

Except as otherwise provided in the Plan, Awards previously granted under the Plan, whether or not then exercisable, are not affected by any change in the relationship between or ownership of the Company and an affiliate.

## **(9) Rights of Participant**

The granting of any Award is not to be construed as giving a Participant a right to remain in the employ of the Company or a Participating Entity nor to continue to serve as a director or Consultant.

## **(10) Amendment or Discontinuance**

- (a) In addition to any other rights provided in the Plan, but subject to Sections 10(10)(b) and 10(10)(c) and the approval of the TSX-V and the shareholders of the Company, where applicable, the Board may: (i) amend, suspend or terminate the Plan or any portion thereof at any time and without notice to or approval from any Participant; or (ii) amend or modify any outstanding Award in any manner to the extent that the Board would have had the initial authority to grant the Award as so modified or amended, whereupon the Plan shall be amended or discontinued, as appropriate, in the manner and to the extent required by applicable laws and other rules and regulations.
- (b) The Board shall not take any action pursuant to Section 10(10)(a) that would adversely affect or alter the rights of a Participant in relation to a previously granted Award in a material manner, unless: (i) such action is permitted by the Plan or the Award Agreement relating to such Award; or (ii) the prior consent of the affected Participant is

obtained, and provided that such action is taken in accordance with applicable law and subject to any required regulatory approval, including approval from any stock exchange upon which the Shares are then listed and shareholder approval.

- (c) Subject to Section 10(10)(f), the Board may from time to time, in its discretion and without approval of the shareholders of the Company, make changes to the Plan or any Award that do not require the approval of shareholders under Sections 10(10)(d) and 10(10)(e), which may include but are not limited to:
  - (i) any amendment of a “housekeeping” nature, including those made to clarify the meaning of an existing provision of the Plan or any agreement, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan; or
  - (ii) an amendment of the Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the securities of the Company are then listed or any other regulatory body having authority over the Company, the Plan, Participants or the shareholders of the Company.
- (d) Notwithstanding the foregoing or any other provision of the Plan, the approval of the shareholders of the Company is required for the following amendments to the Plan:
  - (i) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under the Plan;
  - (ii) any increase in the maximum number of Awards that may be issuable to Insiders of the Company and associates of such Insiders at any time; and
  - (iii) any amendment to Section 10(10)(c) and this Section 10(10)(d) of the Plan.
- (e) Notwithstanding the foregoing or any other provision of the Plan, the approval of the disinterested shareholders of the Company is required for the following amendments:
  - (i) any reduction in the Exercise Price of an Option benefitting an Insider of the Company;
  - (ii) any extension of the Expiry Date of an Award benefitting an Insider of the Company, except in the case of an extension due to a Blackout Period; and
  - (iii) any amendment to this Section 10(10)(e) of the Plan.
- (f) Notwithstanding anything contained herein to the contrary, no amendment to the Plan shall become effective until the approval of the TSX-V is obtained.
- (g) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan, will continue in effect as long as any Awards or any rights pursuant thereto remain outstanding.
- (h) No amendment to the Plan shall be made which would cause the Plan, in respect of Deferred Shares Units, to cease to be a plan described in regulation 6801(d) of the *Income Tax Act* (Canada) or any successor to such provision.

## **(11) Severability**

If any provision of the Plan or any Award Agreement is determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions are severable and enforceable in accordance with their terms, and all provisions will remain enforceable in any other jurisdiction.

## **(12) General Restrictions and Assignment**

Except as required by law, no Awards or any rights of a Participant under the Plan may be anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and no such Awards or rights are capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Subject to the approval of the Board or the Committee, a Participant that is an individual may elect, at any time, to participate in the Plan by holding any Award granted under the Plan in a registered retirement savings plan established by such Participant for the sole benefit of such Participant or in a personal holding company controlled by such Participant. For the purposes of this Section 10(12), a personal holding corporation shall be deemed to be controlled by a Participant if: (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Participant and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation; and (ii) all of the equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Participant and/or his or her spouse, children or grandchildren. In the event that a Participant elects to hold the Award granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Participant held such Award directly.

## **(13) Market Fluctuations**

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

The Company makes no representations or warranties to Participants with respect to the Plan or the Awards whatsoever. Participants are expressly advised that the value of any Awards will fluctuate as the trading price of the Shares fluctuates.

In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of the Shares and all other risks associated with the Awards.

## **(14) No Shareholder Rights**

Under no circumstances shall Awards be considered Shares or other securities of the Company, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, nor shall any Participant be considered the owner of Shares by virtue of the grant of Awards.

## **(15) Unfunded and Unsecured Plan**

The Plan shall be unfunded and the Company will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company.

## **(16) Non-Exclusivity**

Nothing contained in the Plan prevents the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

## **(17) Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option or the settlement of an RSU or PSU will not constitute compensation with respect to which any other employee benefits of that Participant are determined including benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Board in writing.

## **(18) Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns and pay all taxes that may be required under Canadian or other tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Entity shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

## **(19) Bona Fide Representations**

The Company is representing herein and in the applicable Award Agreement that each Participant shall be a bona fide employee, Director or Consultant of a Participating Entity, and each Participant shall be deemed to make such applicable representation herein and in the applicable Award Agreement upon his, her or its acceptance of any Award. The execution of an Award Agreement by the Company shall constitute conclusive evidence that the Awards have been granted to the Participants in compliance with the Plan.

## **(20) Language**

The Participants, by accepting Awards issued or granted under the Plan, have agreed that the Plan as well as any notice, document or instrument relating to it, including any Award Agreement, be drawn up in English. *Les parties aux présentes ont convenu, en acceptant des attributions émises ou octroyées aux termes du régime, que le régime ainsi que tous autres avis, actes ou documents s'y rattachant, y compris toute convention d'attribution, soient rédigés en anglais.*

## **(21) Effective Date**

The Plan was approved by shareholders on August 2, 2022.

**SCHEDULE "A"**  
**OPTION EXERCISE NOTICE**

I, \_\_\_\_\_ [Print Name], hereby exercise the Options to purchase \_\_\_\_\_ common shares (the "**Shares**") of Black Swan Graphene Inc. (the "**Company**") at an exercise price of \$ \_\_\_\_\_ per Share (the "**Exercise Price**"). This Exercise Notice is delivered in respect of the Options to purchase \_\_\_\_\_ Shares of the Company granted to me on \_\_\_\_\_ [Insert Date] pursuant to the Option Agreement entered into between the Company and me on \_\_\_\_\_ [Insert Date].

In connection with the foregoing:

- (a) I enclose a certified cheque or bank draft payable to the Company; or
- (b) I have initiated a wire transfer of immediately available funds to the Company, in either case, in the amount of \$ \_\_\_\_\_ [Insert Amount] as full payment for the Shares to be received upon exercise of the Options. I hereby direct the Company to issue the Shares in my name.

In connection with the exercise of the Options, I hereby covenant and agree to pay to the Company, in addition to the Exercise Price, any amount that the Company is obliged to remit to a relevant taxing authority in connection with the exercise of the Options and I understand that the exercise of the Options is conditional upon me making any such payment to the Company.

Date: \_\_\_\_\_

Participant Signature: \_\_\_\_\_

**SCHEDULE "B"**  
**OPTION AGREEMENT**

Black Swan Graphene Inc. (the "**Company**") hereby grants to the Participant named below, options (the "**Options**") to purchase, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan of the Company (the "**Plan**"), a copy of which is attached to this Option Agreement, the number of common shares of the Company (the "**Shares**") at the exercise price per Share set forth below:

Name of Participant: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Number of Shares subject to Option: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

Vesting Date	Number of Options Vested	Exercise Price

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

Each notice relating to the Option, including the exercise thereof, shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

Black Swan Graphene Inc.  
1410 – 120 Adelaide Street West, Toronto, Ontario, M5H 1T1  
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

**BLACK SWAN GRAPHENE  
INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

I have read the foregoing Agreement and the Plan and hereby accept the Options to

Title: \_\_\_\_\_

purchase Shares in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: \_\_\_\_\_

Participant Signature: \_\_\_\_\_

**SCHEDULE "C"**  
**PERFORMANCE SHARE UNIT AGREEMENT**

Black Swan Graphene Inc. (the "**Company**") hereby grants to the Participant named below, performance share units (the "**PSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan of the Company (the "**Plan**"), a copy of which is attached to this PSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: \_\_\_\_\_

Award Date: \_\_\_\_\_

Number of PSUs: \_\_\_\_\_

Number and Class of Shares subject to the PSUs: \_\_\_\_\_

Performance Period: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

1. The PSUs will vest upon the satisfaction of the Performance Goals set forth below prior to the Expiry Date:

[Performance Goals to be inserted]

2. If the Performance Goals are not satisfied prior to the Expiry Date, the PSUs will terminate and be null and void.

3. Any notice relating to the PSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

Black Swan Graphene Inc.  
1410 – 120 Adelaide Street West, Toronto, Ontario, M5H 1T1  
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

4. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

**BLACK SWAN GRAPHENE  
INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Title:

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I have read the foregoing Agreement and the Plan and hereby accept the PSUs in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date:

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Participant Signature:

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**SCHEDULE "D"**  
**RESTRICTED SHARE UNIT AGREEMENT**

Black Swan Graphene Inc. (the "**Company**") hereby grants to the Participant named below, Restricted Share Units ("**RSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: \_\_\_\_\_

Award Date: \_\_\_\_\_

Number of RSUs: \_\_\_\_\_

Number of Shares subject to the RSUs: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

1. The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.
2. The RSUs will vest: [vesting conditions to be inserted].
3. Any notice relating to the RSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:  
Black Swan Graphene Inc.  
1410 – 120 Adelaide Street West, Toronto, Ontario, M5H 1T1  
Attention: Chief Financial Officer  
All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.
4. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

**BLACK SWAN GRAPHENE  
INC.**

By: \_\_\_\_\_

I have read the foregoing Agreement and the Plan and hereby accept the RSUs in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Participant Signature: \_\_\_\_\_

**SCHEDULE "E"**  
**DSU AGREEMENT**

Black Swan Graphene Inc. (the "**Company**") hereby grants to the DSU Participant named below, deferred share units (the "**DSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this DSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of DSU Participant: \_\_\_\_\_

Award Date: \_\_\_\_\_

Number of DSUs: \_\_\_\_\_

Number of Shares subject to the DSUs: \_\_\_\_\_

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

Any notice relating to the DSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

Black Swan Graphene Inc.  
1410 – 120 Adelaide Street West, Toronto, Ontario, M5H 1T1  
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

**BLACK SWAN GRAPHENE  
INC.**

By: \_\_\_\_\_

I have read the foregoing Agreement and the Plan and hereby accept the DSUs in accordance with and subject to the terms and conditions of such

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: \_\_\_\_\_

Participant Signature: \_\_\_\_\_

**SCHEDULE "F"**  
**DSU ELECTION NOTICE**

Pursuant to the Omnibus Equity Incentive Plan (the "**Plan**") of Black Swan Graphene Inc. (the "**Company**"), I hereby elect to receive \_\_\_\_\_% of my Annual Board Retainer for the fiscal year of \_\_\_\_\_ in the form of Deferred Shares Units in lieu of cash. I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and have reviewed, considered and agreed to be bound by the terms of this Election Notice and the Plan.
- (b) I recognize that when Deferred Share Units are settled in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon settlement of the Deferred Share Units, the Company will make or arrange with me to make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Share Units is based on the value of the Shares and therefore is not guaranteed.
- (d) This election is irrevocable except as otherwise set forth in the Plan or the Schedules thereto.

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

Date

\_\_\_\_\_

Name of DSU Participant

\_\_\_\_\_

Signature of DSU  
Participant

\_\_\_\_\_

**SCHEDULE "G"**  
**DSU SETTLEMENT NOTICE**

In respect of the Deferred Share Units that vested on \_\_\_ that were granted to you by Black Swan Graphene Inc. (the "**Company**") pursuant to the Company's Omnibus Equity Incentive Plan (the "**Plan**"), the Company hereby elects to settle the Deferred Share Units (including for any fractional Deferred Share Units) as follows [Company to select one]:

- (     )       (i) the cash equivalent, calculated in accordance with Section 8(7)(a) of the Plan;
- (     )       (ii) Shares, calculated in accordance with Section 8(7)(b) of the Plan; or
- (     )       (iii) the cash equivalent for \_\_\_\_\_ Deferred Share Units and Shares for \_\_\_ Deferred Share Units.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:]

[I (check one):

- (     )       (i) enclose cash, a certified cheque, bank draft or money order to the Company in the amount of \$ \_\_\_\_\_ as full payment for the applicable withholding taxes;
- (     )       (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- (     )       (iii) if permitted by the Company, elect to settle for cash such number of Deferred Share Units as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

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

Date

\_\_\_\_\_

Name of DSU Participant

\_\_\_\_\_

Signature of DSU Participant

\_\_\_\_\_

**SCHEDULE "H"**  
**SHARE UNIT SETTLEMENT NOTICE**

In respect of the RSUs that Vested on \_\_\_\_\_ that were granted to you by Black Swan Graphene Inc. (the "**Company**") pursuant to the Company's Omnibus Equity Incentive Plan (the "**Plan**"), the Company hereby elects to settle the RSUs (including for any fractional RSUs) as follows [Company to select one]:

- (        )        (i) the cash equivalent, calculated in accordance with Section 5(5)(a) of the Plan;
- (        )        (ii) Shares, calculated in accordance with Section 5(5)(b) of the Plan; or
- (        )        (iii) the cash equivalent for \_\_\_\_\_ RSUs and Shares for \_\_ RSUs.

In respect of the PSUs that Vested on \_\_\_\_\_ that were granted to you by the Company pursuant to the Plan, the Company hereby elects to settle the PSUs (including for any fractional PSUs) as follows [Company to select one]:

- (        )        (i) the cash equivalent, calculated in accordance with Section 6(6)(a) of the Plan;
- (        )        (ii) Shares, calculated in accordance with Section 6(6)(b) of the Plan; or
- (        )        (iii) the cash equivalent for \_\_\_\_\_ PSUs and Shares for \_\_ PSUs.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:] [I (check one):

- (        )        (i) enclose cash, a certified cheque, bank draft or money order to the Company in the amount of \$ \_\_\_\_\_ as full payment for the applicable withholding taxes;
- (        )        (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- (        )        (iii) if permitted by the Company, elect to settle for cash such number of [RSUs][PSUs] as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

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

Date

\_\_\_\_\_

Name of Participant

\_\_\_\_\_

Signature of Participant

\_\_\_\_\_

**SCHEDULE "I"**  
**DSU TERMINATION NOTICE**

Notwithstanding my previous election on the DSU Election Notice dated \_\_\_\_\_, I hereby elect to terminate my participation in the Omnibus Equity Incentive Plan (the "**Plan**") of Black Swan Graphene Inc. (the "**Company**") effective as of the date this Termination Notice is received by the Company.

I understand that the Deferred Share Units already granted under the Plan cannot be settled until the DSU Termination Date.

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

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

Date

\_\_\_\_\_

Name of DSU Participant

\_\_\_\_\_

Signature of DSU  
Participant

\_\_\_\_\_

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

**Charter of the Audit Committee**

**of the Board of Directors**

**1) Purpose**

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Black Swan Graphene Inc. (the "**Company**") to assist the Board in fulfilling its duties and oversight responsibilities with respect to:

- a) the integrity of the Company's financial statements;
- b) compliance with legal and regulatory requirements;
- c) adequacy and maintenance of the systems and internal controls established by the Company;
- d) the appointment, remuneration, qualifications, independence, and performance of the external auditor; and
- e) capital management (funding, liquidity, balance sheet management, dividends).

**2) Authority of the Committee**

The Committee shall have the authority to:

- a) appoint the external auditor of the Company and set and pay the compensation of such external auditor;
- b) engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation of any advisors employed by the Committee; and
- c) adopt such policies and procedures, as it deems appropriate to operate effectively.

**3) Composition and Meetings**

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the TSX Venture Exchange ("**TSXV**"), the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.

- a) The Committee shall consist of at least three directors, the majority of whom shall meet the independence requirements and all of whom shall meet the financial literacy and experience requirements of National Instrument 52-110 – Audit Committees ("**NI 52-110**") and any other applicable regulatory bodies or security exchange of which the Company has listed securities. Financial literacy requires that each member of the Committee shall possess the knowledge and skills to read and understand a set of financial statements generally comparable to the complexity of issues that can be reasonably expected in the Company's financial statements and have the confidence to make responsible financial decisions on behalf of the Company.
- b) The Board, at its annual organizational meeting, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace the members of the Committee and may fill any vacancy of the Committee. Replacements of vacancies of members of the Committee must be

filed by the latter of either the next annual meeting or six months from the date of the vacancy. Until such replacement is made, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

- c) The Board will appoint a chair (the “**Chair**”) of the Committee who shall be independent and will have oversight of the Committee. The duties and responsibilities of the Chair are more particularly described in Schedule “A” attached hereto.
- d) The Committee shall meet at least quarterly, at the discretion of the Chair, with minimum of two and at least 50% of the members of the Committee present, either in person or by telephone or by electronic communication, shall constitute a quorum.
- e) The Committee shall keep minutes of its meetings, which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member of the Committee, to act as a secretary of such meeting.
- f) A meeting of the Committee may be called by letter, telephone, facsimile, email or other electronic communication, by giving at least 48 hours’ notice, and that no notice of a meeting shall be necessary if all of the members are present either in person or by means of teleconference or videoconference facilities or other electronic communication or if those absent have waived notice or otherwise signified their consent to the holding of such meeting, which shall constitute a valid meeting for the purpose of conducting business, provided a quorum exists.
- g) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.
- h) The Committee may request any officer or employee of the Company, its external legal counsel or its external auditor attend a meeting of the Committee or meeting with any member(s) of the Committee.

#### **4) Duties and Responsibilities**

The Committee shall:

- a) review and discuss with Management prior to public disclosure, annual reports, quarterly reports, Management Discussion and Analysis (“**MD&A**”), earnings press release and any other material disclosure documents containing or incorporating by reference audited or unaudited financial statement of the Company in accordance with NI 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”);
- b) review and recommend approval to the Board the annual and unaudited quarterly financial statements, MD&A and public release thereof by Management in accordance with National Instrument 52-110 – Audit Committees (“**NI 52-110**”);
- c) oversee the reliability and integrity of accounting principles and practices followed by Management, of the financial statements and other publicly reported financial information, and of the disclosure

principles and practices followed by Management. The Committee will have unrestricted access to the books and records of the Company;

- d) provide oversight of the transparency, disclosure and controls of the Company including, without limitation, compliance with NI 51-102, NI 52-110, National Policy 51-201 – Disclosure Standards (“**NP 51-201**”), all applicable laws including the *Business Corporations Act (British Columbia)*, and all applicable securities regulatory authorities including the OSC and TSXV with periodic reviews of the Company policies;
- e) provide fair disclosure and equal treatment of all shareholders including disclosure of all major transactions and material events on the Company’s website and/or [www.sedar.com](http://www.sedar.com) and ensure shareholders are sent notices annually that they can request paper copies of financial disclosure materials;
- f) evaluate the necessity of making public disclosures including making determinations about whether a “material change” has occurred, a selective disclosure or misrepresentation has been or might be made;
- g) ensure timely disclosure of “Material Information” including "material facts" and/or "material changes" in accordance with NP 51-201;
- h) review established timelines for the preparation of disclosure documents, which timelines shall include critical dates and deadlines during the disclosure process relating to the preparation of drafts, the circulation of drafts to appropriate Company personnel, the Company’s independent auditors, and the Committee;
- i) review and assess the adequacy and effectiveness of the Company’s internal control processes and systems and report to the Board on deficiencies, significant deficiencies and material weaknesses of internal audit including Management’s response to such deficiencies and weaknesses;
- j) periodically review risk management systems and processes including assessing such risks when planning new strategies, activities and products and review with Management and the external auditor any significant financial risks or exposures and the steps Management has taken to minimize such risks;
- k) appoint an external auditor and provide oversight of the work of the external auditor including:
  - i) taking reasonable steps to ensure the objectivity and independence of the external auditor including, in accordance with International Financial Reporting Standards (“**IFRS**”) and applicable securities laws, receipt of a formal written statement from the external auditor confirming its independence and delineating all relationships between the external auditor and the Company,
  - ii) pre-approving any non-audit services of the external auditor, including adherence to the Policy and Procedure for Engagement of Non-Audit Services as set forth in Schedule “B” attached hereto,
  - iii) approving the lead audit partner for the Company’s external auditor and ensuring that such lead partner is rotated and has not performed audit services for the Company for more than five (5) previous fiscal years,
  - iv) communicating directly with the external auditor and meeting with the external auditor and Management in separate sessions,
  - v) reporting to the Board after consultation with Management that the external auditor is in compliance with all relevant laws, regulations and company policies,

- vi) reviewing the major accounting estimates, assumptions or adjustments made by the external auditors including any accounting adjustments requested by the external auditors but rejected by Management,
  - vii) resolving disagreements between Management and the external auditor regarding finance reporting,
  - viii) consulting with the external auditor on the audit scope and plan of the external auditor including receiving written confirmation annually as to the external auditor's processes and quality control and disclosure of any investigations or government inquiries or reviews of the external auditor, and
  - ix) periodically report to the Board on the performance of the external auditor;
- l) review and approve the annual operating budget for the Company and its subsidiaries on a consolidated basis including funding, liquidity, balance sheet management and dividends and monitor the Company's performance against such budget;
  - m) review and recommend to the Board any financing proposals the Committee deems appropriate;
  - n) execute any such instruments, agreements, elections and documents on behalf of the Company as may be necessary or appropriate to give effect to decisions made by the Committee pursuant to this Charter; and
  - o) review annually this Charter and recommend any changes thereto for approval by the Board.

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

This Charter was reviewed and adopted by the Board on May 30, 2023.

