

**NOTICE OF AN ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the “**Meeting**”) of the shareholders of Focus Graphite Inc. Inc. (the “**Corporation**”) will be held virtually at 1-800-669-6180 (Canada and US) Participant Code 745484, on August 29, 2024, at 11.00am (eastern time) for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended September 30, 2023, together with the report of the auditors thereon;
2. to elect the directors for the forthcoming year;
3. to appoint the auditors of the Corporation and to authorize the Board of Directors to fix their remuneration;
4. to approve the equity incentive plan
5. to transact such other business that may properly be brought before the Meeting.

Additional information on the above matters can be found in the Circular under the headings “Election of Directors”, “Appointment of Auditors”, and “Approval of Equity Incentive Plan”.

The Corporation is actively monitoring the COVID-19 situation and are sensitive to the public health and travel concerns our Shareholders may have and the protocols that federal, provincial, and local governments may impose. We strongly encourage each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting and not plan on attending the Meeting in person, in order to comply with government orders concerning the maximum size of public gatherings and required social distancing parameters. Depending on the circumstances, the Corporation may be unable to admit Shareholders to the Meeting.

To further mitigate the risk of the spread of this virus, the Meeting will be made accessible by audio conference at 1 800 669 6180 (Canada and US) Participant Code 745484. This call will be listen-only and shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call.

Dated at Ottawa, Ontario, this 16th day of July, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(s) Marc Roy
Marc Roy
Chief Executive Officer

FOCUS GRAPHITE INC.
(the “Corporation”)

INFORMATION CIRCULAR

(Containing information as at July 16, 2024 unless indicated otherwise)

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by the management of the Corporation of proxies to be used at the annual and special meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation.

INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS

Notice-and-Access

The Corporation has elected to use “notice-and-access” rules (“**Notice-and-Access**”) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for distribution of Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Corporation in their own names (referred to herein as “**Beneficial Shareholders**”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies. “**Proxy-Related Materials**” refers to this Circular, the Notice of Meeting, a voting instruction form (“**VIF**”), the Corporation’s 2023 annual report containing the Corporation’s annual audited financial statements for the year ended September 30, 2023 and the related Management’s Discussion and Analysis.

The use of the Notice-and-Access is more environmentally friendly as it will help reduce paper use. It will also reduce the Corporation’s printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting Broadridge Financial Solutions, Inc. toll free at 1-855-887-2244.

The Corporation is not using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names (referred to herein as “**Registered Shareholders**”). Registered Shareholders will receive paper copies of this Circular, related materials and the Corporation’s 2023 annual report via prepaid mail.

Websites Where Proxy-Related Materials are Posted

The Proxy-Related Materials are available on the Corporation’s website at www.focusgraphite.com and under the Corporation’s profile on SEDAR at www.sedar.com.

Notice Package

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package (“**Notice Package**”) via prepaid mail containing information and documents prescribed by NI 54-101 such as: the date, time and location of the Meeting, the website

addresses where the Proxy-Related Materials are posted, a VIF, and supplemental mail list return card for Beneficial Shareholders to request they be included in the Corporation's supplementary mailing list for receipt of the Corporation's interim financial statements for the 2024 fiscal year.

How to Obtain Paper Copies of Proxy-Related Materials

Beneficial Shareholders may obtain paper copies of the Circular and the Corporation's 2023 annual report free of charge by contacting Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by 5:00 p.m. (eastern time) on August 9, 2024 in order to allow sufficient time for Beneficial Shareholders to receive their paper copies and to return their VIFs by the due date. After the Meeting date, Beneficial Shareholders may obtain paper copies of the Circular free of charge by contacting the Secretary of the Corporation at 613-241-4040.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxy

The Corporation will be strictly restricting physical access to the Meeting and only registered Shareholders and formally appointed proxy holders will be entitled to attend. The Corporation strongly encourages Shareholders to vote by proxy.

The Meeting will be made accessible by audio conference at 1 800 669 6180 (Canada and US) Participant Code 745484. This call will be listen-only and shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call.

A Registered Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A Registered Shareholder may also vote using the internet at www.investorvote.com or telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on August 27, 2024 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the Registered Shareholder or his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A Registered Shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the Registered Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Registered Shareholder should notify the appointee of his or her appointment, obtain his or her consent to act as appointee and instruct the appointee on how the Registered Shareholder's shares are to be voted.

Shareholders who are not Registered Shareholders should refer to "Notice to Beneficial Shareholders" below.

Revocation of Proxy

A Registered Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally attends the Meeting at which that proxy is to be voted, that Registered Shareholder may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or his attorney or authorized agent and deposited with (i) Computershare Investor Services Inc. at any time up to 5:00 p.m. (eastern time) on August 27, 2024 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by facsimile to 416-263-9524 or 1-866-249-7775, (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or (iii) with the chairman of the Meeting on the day of the Meeting before the commencement thereof, or any adjournment thereof, and upon any such deposit, the proxy will be revoked.

Notice to Beneficial Shareholders

The information set out in this section is of importance to many shareholders, as a substantial number of shareholders are Beneficial Shareholders and do not hold shares of the Corporation in their own names. Beneficial Shareholders should note that only proxies deposited by Registered Shareholders (shareholders whose names appear on the records of the Corporation as the registered holders of shares) can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Those shares will more likely be registered under the name of the shareholder's 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 CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners (“**NOBOs**”) are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners (“**OBOs**”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

NI 54-101 permits the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Notice Package directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver the Notice Package to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package directly to

NOBOs and indirectly through intermediaries to OBOs. The cost of the delivery of the Notice Package by intermediaries to Beneficial Shareholders will be borne by the Corporation.

The Corporation has used a NOBO list to send the Notice Package directly to NOBOs whose names appear on that list. If the Corporation's transfer agent, Computershare Investor Services Inc., has sent these materials directly to a NOBO at the request of the Corporation, such NOBO's name and address and information about its holdings of shares of the Corporation have been obtained from the intermediary holding such shares on the NOBO's behalf in accordance with applicable securities regulatory requirements. As a result, any NOBO of the Corporation can expect to receive a VIF from Computershare Investor Services Inc. NOBOs should complete and return the VIF to Computershare Investor Services Inc. in the envelope provided. In addition, telephone voting and internet voting are available; instructions in respect of the procedure for telephone and internet voting can be found in the VIF. Computershare Investor Services Inc. will tabulate the results of VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by such VIFs.

Applicable securities regulatory policy requires intermediaries, on receipt of Notice Packages that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings on Form 54-101F7 (Request for Voting Instructions Made by Intermediary). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of request for voting instructions supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). In forwarding the Notice Package to Beneficial Shareholders, Broadridge typically includes a VIF in lieu of the form of proxy that some intermediaries employ. Beneficial Shareholders are requested to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge's dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation's transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

All references to shareholders in this Circular, the enclosed form of proxy, and the Notice of Meeting are to the Registered Shareholders unless specifically stated otherwise.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly-executed proxies or VIFs in favour of the persons designated in the enclosed form of proxy or voting information forms, in the absence of any direction to the contrary, will be voted for the: (i) election of directors; (ii) appointment of the auditor; and (iii) resolution approving and confirming the amended equity incentive plan of the Corporation, as stated under

such headings in this Circular. The shares represented by the proxy or VIF will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for, and if a shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters.

VOTING SHARES

As at the date of this Circular, there were 62,464,170 issued and outstanding common shares of the Corporation.

Each Common Share entitles the holder thereof to receive notice of and attend all meetings of Shareholders and to vote at such meetings, except meetings at which only holders of a specified class or series of shares are entitled to vote.

Each holder of record of a Common Share on July 17, 2024, the record date established for notice of the Meeting, will, unless otherwise specified in this Circular, be entitled to one vote for each Common Share held by such holder on all matters coming before the Meeting, except to the extent that such holder has transferred any such Common Shares after the record date and the transferee of such Common Shares establishes ownership of such Common Shares and makes a written demand, not later than ten (10) days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting.

QUORUM FOR THE TRANSACTION OF BUSINESS

The Corporation's By-Laws provide that the quorum at a meeting of the shareholders of the Corporation shall be constituted by the attendance of at least two shareholders, present in person or represented by proxy, holding at least 10% of the votes attached to outstanding voting shares.

PRINCIPAL SHAREHOLDERS

As at July 16, 2024, to the best knowledge of the Corporation, no person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the common shares of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

- (a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year;
- (b) each proposed nominee for election as a director of the Corporation; and
- (c) each associate or affiliate of any of the foregoing.

MATTERS FOR CONSIDERATION AT THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the fiscal year ended September 30, 2023 and the report of the auditors thereon will be tabled at the Meeting but will not be subject to a vote. These audited financial statements form part of the 2023 Annual Report of the Corporation. Copies of the 2023 Annual Report may be obtained from the Secretary of the Corporation upon request and will be available at the Meeting.

ELECTION OF DIRECTORS

The By-laws of the Corporation provide that the members of the Board of Directors of the Corporation (the “**Board**”) are elected annually. Each director holds office until the next annual meeting of shareholders or until his successor is elected or appointed, unless he resigns or his office becomes vacant by removal, death or other cause.

The mandates of Messrs. Jeffrey York, Marc Roy, Lindsay Weatherdon, and Robin Dow, will expire at the Meeting of August 29, 2024. The persons proposed to be nominated for election as director of the Corporation are Jeffrey York, Marc Roy, Lindsay Weatherdon, and Robin Dow. Management does not contemplate that any of the nominees will be unable to serve on the Board but, if this should occur for any reason prior to the Meeting, the person named in the enclosed form of proxy reserves the right to vote for another nominee at his or her discretion unless the shareholder has indicated in the form of proxy his or her wish to abstain from exercising the voting rights attached to his or her shares at the time of the election of the directors.

The following table sets out the names of all individuals proposed to be nominated by the management of the Corporation as directors together with related information:

Name and Municipality of Residence	Director Since	Office Held	Number of Shares Beneficially Owned or Over Which Controlled is Exercised	Principal Occupation
Jeffrey York ⁽¹⁾⁽²⁾ Ontario, Canada	February 1, 2010	Director	4,321,132	Chairman of the Corporation and a Partner at Farm Boy Inc.
Marc Roy Ontario, Canada	July 1, 2020	Director	677,466	President & CEO of Grafoid Inc.
Lindsay Weatherdon ⁽¹⁾⁽²⁾ Ontario, Canada	April 5, 2019	Director	658,380	President & CEO of Braille Energy Systems Inc. and Executive Vice-President of Concord National LLP
Robin Dow ⁽¹⁾⁽²⁾ British Columbia, Canada	March 5, 2019	Director	0	CEO of Dow Group, Explores Inc.

(1) Members of the Audit Committee.

(2) Members of the Compensation Committee.

The information as to shares beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually. Other than the Audit Committee and the Compensation Committee, the Corporation does not have any other committee. The nominees whose names are hereinabove mentioned were elected directors of the Corporation at a shareholders’ meeting for which an information circular was issued.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, except as disclosed below, none of the foregoing nominees for election as a director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any 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 applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, 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 his assets.

To the knowledge of the Corporation, none of the nominees for election as director of the Corporation has been subject to:

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

Mr. Dow was the Chief Executive Officer of Rosehearty Energy Inc. (previously Galahad Metals Inc. (“**Galahad**”)) when the Ontario Securities Commission, the Autorité des marchés financiers and the British Columbia Securities Commission issued temporary cease trade orders and/or cease trade orders against Galahad. On May 3, 2013, the Ontario Securities Commission issued a temporary cease trade order against Galahad, which was extended by a cease trade order on May 15, 2013. On May 6, 2013, the Autorité des marchés financiers issued a temporary cease trade order against Galahad, which was extended by a cease trade order on May 21, 2013. On May 8, 2013, the British Columbia Securities Commission issued a cease trade order against Galahad. The cease trade orders were imposed due to the failure of Galahad to file its annual audited financial statements, its management’s discussion and analysis and related certifications for the year ended December 31, 2012 within the prescribed time (collectively, the “**2012 Annual Filings**”). On August 2, 2013, Galahad filed its 2012 Annual Filings and its interim financial statements, its management’s discussion and analysis and related certifications for

the 3-month period ending March 31, 2013. On October 31, 2013, each of the Ontario Securities Commission, the Autorité des marchés financiers and the British Columbia Securities Commission revoked their cease trade orders.”

Mr. Dow was a director and officer of Rosehearty Energy Inc. (formerly Galahad Metals Inc.) (“**Rosehearty**”) when the British Columbia Securities Commission, the Ontario Securities Commission, the Autorité des marchés financiers and the Alberta Securities Commission issued cease trade orders against Rosehearty. On May 8, 2015, the British Columbia Securities Commission issued a cease trade order against Rosehearty. On May 25, 2015, the Ontario Securities Commission issued a cease trade order against Rosehearty. On May 28, 2016, the Autorité des marchés financiers issued a cease trade order and on August 7, 2015, the Alberta Securities Commission issued a cease trade order against Rosehearty. The cease trade orders were imposed due to the failure of Rosehearty to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended December 31, 2014 (collectively, the “**Rosehearty 2014 Annual Filings**”). Rosehearty is presently preparing the required documentation to complete and file the Rosehearty 2014 Annual Filings and its annual audited financial statements, its management discussion and analysis and related certifications for subsequent years. January 30, 2019, the British Columbia, Alberta and Ontario Securities Commission revoked the cease trade orders.

Robin Dow was a director and officer of Red Ore Gold Inc. (“**Red Ore**”) (now called Osoyoos Cannabis Inc.) when the British Columbia Securities Commission, the Ontario Securities Commission, and the Alberta Securities Commission issued cease trade orders against Red Ore. On September 8, 2014, the British Columbia Securities Commission issued a cease trade order against Red Ore. On September 11, 2014, the Ontario Securities Commission issued a temporary cease trade order against Red Ore and extended it on September 24, 2014. On December 9, 2014, the Alberta Securities Commission issued a cease trade order against Red Ore. The cease trade orders were imposed due to the failure of Red Ore to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended April 30, 2014. On May 3, 2016 the Company filed its 2014 and 2015 Annual audited financial statements, its management discussion and analysis and related certifications for the years ended April 30, 2014 and April 30, 2015 together with the quarterly financial statements and management discussion and analysis to the period ending January 31, 2016. The Cease Trade Orders issued by the Ontario, British Columbia and Alberta Securities Commissions were revoked on May 12, 2016 in Ontario, and on May 16, 2016 in British Columbia and Alberta.

You can vote for the election of all the nominees described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the nominees described above as director of the Corporation.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Interpretation

“Named executive officer” (“**NEO**”) means:

- (a) a Chief Executive Officer (“**CEO**”);
- (b) a Chief Financial Officer (“**CFO**”);

- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Marc Roy, President & CEO and Judith Mazvihwa-MacLean, CFO.

Compensation Committee

The Compensation Committee is composed of three directors, Robin Dow, Lindsay Weatherdon, and Jeff York (Chairman of the Compensation Committee), none of whom is or has been at any previous time an employee of the Corporation or any of its subsidiaries. Robin Dow and Lindsay Weatherdon are independent members of the Compensation Committee and Jeffrey York is not an independent member of the Compensation Committee within the meaning of National Instrument 52 – 110 *Audit Committees* (“NI 52-110”). The Board is of the view that the Compensation Committee collectively has the knowledge, experience and background to fulfill its mandate, and that each of the members of the Compensation Committee has direct experience relevant to his responsibilities regarding executive compensation. Each of the members of the Compensation Committee is an experienced senior executive. In particular, Jeffrey York is a Partner at Farm Boy stores and is chairman of multiple boards of publicly traded companies, Robin Dow is the CEO of Dow Group, Explorers Inc. and Lindsay Weatherdon is President & CEO of Braille Energy Systems Inc. and Executive Vice-President of Concord National LLP. These collective skills and extensive experience enable the Compensation Committee to make decisions on the suitability of the Corporation’s compensation policies and practices. The responsibilities and process of the Compensation Committee are listed in this present section.

Compensation Program Objectives

The objectives of the Corporation’s executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation’s continued success;
- to align the interests of the Corporation’s executives with the interests of the Corporation’s shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Corporation is a mining company involved in exploration and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Corporation to be appropriate in the evaluation of the performance of the NEOs.

Purpose of the Compensation Program

The Corporation's executive compensation program has been designed to reward executives for reinforcing the Corporation's business objectives and values.

Elements of Compensation Program

The executive compensation program consists of a combination of base salary, performance bonus and stock option incentives.

Purpose of Each Element of the Executive Compensation Program

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed base salary, each NEO is eligible to receive a bonus meant to motivate the NEO and is determined on a case by case basis. Awards under this plan are made by way of cash payments only, which payment are made at the end of the fiscal year.

Stock options are generally awarded to NEOs on an annual basis. The granting of stock options upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Corporation's performance and in the value of the shareholders' investments.

Determination of the Amount of Each Element of the Executive Compensation Program

Intervention of the Board of Directors

Compensation of the NEOs of the Corporation is reviewed annually by the Compensation Committee who makes its recommendation to the Board. The Board approves the compensation of each NEO based on the recommendation of the Compensation Committee.

Base Salary

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Compensation Committee and the Board rely on the general experience of its members in setting base salary amounts.

Performance Bonuses

The bonus for each individual NEO is determined on a case by case basis. The factors considered in assessing the bonus amounts include, but are not limited to, the position of the NEO and expense control.

Stock Options

The Corporation has established a formal plan (the "**Equity Incentive Plan**") under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Equity Incentive Plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price and expiry date. For further information regarding the Equity Incentive Plan refer to section "*Securities Authorized for Issuance Under Equity Compensation Plans*".

The Board makes these determinations subject to the provisions of the existing Equity Incentive Plan and, where applicable, the policies of the TSX Venture Exchange (the “TSX-V”).

Assessment of Risks Associated with the Corporation’s Compensation Policies and Practices

The Board has not proceeded to an evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. The Corporation has not adopted a policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Corporation’s securities granted as compensation or held, directly or indirectly, by directors or officers. The Corporation is not, however, aware of any directors or officers having entered into this type of transaction.

External Compensation Consultants

During the fiscal year ended September 30, 2015, the Corporation retained the services of executive compensation consultants to assist the Board in determining compensation for some of the Corporation’s NEOs and directors.

During the fiscal year ended September 30, 2023, the Corporation did not retain the services of executive compensation consultants to assist the Board in determining compensation for any of the Corporation’s NEOs or directors.

Executive Compensation-Related Fees

“Executive Compensation-Related Fees” consist of fees for professional services billed by each consultant or advisor, or any of its affiliates, that are related to determining compensation for any of the Corporation’s directors and executive officers. Perrault Consulting Inc. billed the Corporation \$10,000 in Executive Compensation-Related Fees in the fiscal year ended September 30, 2015 and did not bill the Corporation any Executive Compensation-Related Fees in the fiscal year ended September 30, 2022 and 2023.

All Other Fees

“All Other Fees” consist of fees for services that are billed by each consultant or advisor mentioned above and which are not reported under “Executive Compensation-Related Fees”. Perrault Consulting Inc. did not bill the Corporation for any other fees during the fiscal year ended September 30, 2015 or during the fiscal years ended September 30, 2022 and 2023.

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the performance bonuses and granting of stock options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

A- COMPENSATION OF EXECUTIVE OFFICERS

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Corporation for services in all capacities to the Corporation during the three most recently completed financial years:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total (\$)
					Annual incentive plans	Long-term incentive plans			
Marc Roy President & CEO (Effective July 1, 2020)	2023	123,958	-	262,602 ⁽³⁾	-	-	-	-	386,560
	2022	175,000	-	1,070,861 ⁽²⁾	-	-	-	-	1,245,861
	2021	175,000	-	594,808 ⁽¹⁾	-	-	-	-	769,808
Judith Mazvihwa-MacLean CFO	2023	92,818	-	87,534 ⁽³⁾	-	-	-	-	180,352
	2022	98,818	-	398,954 ⁽²⁾	-	-	-	-	497,772
	2021	104,068	-	198,269 ⁽¹⁾	-	-	-	-	302,337

- (1) 2021 Fair value at the time of grant calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected average volatility of 168%, discount rate of 0.88%, and an expected average life of 5 years. The Black-Scholes option pricing model was selected by the Corporation as it is the most widely-adopted and used option-valuation method.
- (2) 2022 Fair value at the time of grant calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected average volatility of 187%, discount rate of 1.47%, and an expected average life of 5 years. The Black-Scholes option pricing model was selected by the Corporation as it is the most widely-adopted and used option-valuation method.
- (3) Stock-based compensation of \$894,251 (all of which relate to equity-settled stock-based payment transactions) was included in the statement of comprehensive loss for the year ended September 30, 2022 (2022 - \$4,069,842) and credited to contributed surplus.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Marc Roy President & CEO	900,000	1.20	February 26, 2026	-	-	-	-
	1,000,000	0.50	November 2, 2026	-	-	-	-
Judith Mazvihwa-MacLean	300,000	1.20	February 26, 2026	-	-	-	-

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Marc Roy President & CEO	-	-	-
Judith Mazvihwa-MacLean CFO	-	-	-

Pension Plan Benefits

The Corporation does not have a defined benefits pension plan or a defined contribution pension plan.

Termination and Change of Control Benefits

Mrs. Judith Mazvihwa-MacLean's employment contract provides that if her engagement by the Corporation is terminated within 180 days before or 365 days after a change of control the Corporation will pay Mrs. Mazvihwa-MacLean a lump sum at the time of termination equal to \$270,000. Mrs. Mazvihwa-MacLean's consulting contract also provides that in the case of a termination without cause the Corporation will pay Mrs. Mazvihwa-MacLean a lump sum equal to \$270,000.

Mr. Jeffrey York's consulting contract provides that if his employment by the Corporation is terminated within 180 days before or 365 days after a change of control the Corporation will pay Mr. York a lump sum at the time of termination equal to \$300,000. Mr. York's consulting contract also provides that in the case of a termination without cause the Corporation will pay Mr. York a lump sum equal to \$300,000.

A change of control is defined as follows:

- (i) any change in the holding of the shares in the capital of the Corporation as a result of which an entity or group of entities acting jointly or in concert (whether by means of a shareholder agreement or otherwise) or entities associated or affiliated with any such entity or group within the meaning of the *Business Corporations Act* (Ontario), other than the NEO and his respective associates becomes the owner, legal or beneficial, directly or indirectly, of forty (40%) per cent or more of the shares in the capital of the Corporation or exercises control or direction over forty (40%) per cent or more of the shares in the capital of the Corporation; or
- (ii) a sale, lease or other disposition of all or substantially all of the property or assets of the Corporation (other than to an affiliate which assumes all of the obligations of the Corporation to the NEOs including the assumption of the NEO's employment agreements); or
- (iii) a reorganization, amalgamation or merger (or plan of arrangement in connection with any of the foregoing), not approved by the Board, other than solely involving the Corporation and one or more of its affiliates, with respect to which substantially all of the persons who were the beneficial owners of the shares in the capital of the Corporation immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following any such event, beneficially own, directly or indirectly, more than forty (40%) per cent of the aggregate voting power of all outstanding equity shares of the Corporation; or
- (iv) a change in the composition of the Board which occurs at a single meeting of the shareholders of the Corporation or upon the execution of a shareholder's resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change or with one exception being that the change of control as per (i), (ii), (iii) and (iv) above, has been the result of a proposal put forward and ratified by the Board, and the NEOs are offered the same or higher remuneration, benefits and bonuses as per their contracts, and the NEOs' duties continue to be reflective of the status of the NEO and qualifications prior to the change in control as an NEO (nothing less) of the surviving entity.

B - DIRECTORS COMPENSATION

Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Corporation for the most recently completed financial year:

Name	Fees earned (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jeffrey York	-	280,322	0	-	-	-	280,322
Lindsay Weatherdon	-	74,717	0	-	-	-	74,717
Robin Dow	-	44,653	0	-	-	-	44,653

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jeffrey York	1,000,000	0.50	June 26, 2025	-	-	-	-
	900,000	1.20	February 26, 2026	-	-	-	-
	1,000,000	0.50	November 2, 2026	-	-	-	-
Lindsay Weatherdon	100,000	0.50	June 26, 2025	-	-	-	-
	250,000	1.20	February 26, 2026	-	-	-	-
	300,000	0.50	November 2, 2026	-	-	-	-
Robin Dow	150,000	1.20	February 26, 2026	-	-	-	-
	50,000	0.50	November 2, 2026	-	-	-	-

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Corporation during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jeffrey York	-	-	-
Lindsay Weatherdon	-	-	-
Robin Dow	-	-	-

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	8,440,000	\$0.737	4,052,834
Equity compensation plans not approved by security holders	-	-	-

Equity Incentive Plan

On July 16, 2024, the Board approved the amended Equity Incentive Plan to reserve for issuance pursuant to the exercise of stock options and restricted share units up to a maximum of 20% of the issued and outstanding Common Shares. At the meeting, the shareholders will be asked to approve the Equity Incentive Plan which as at the date of implementation the Equity Incentive Plan the terms include:

- The maximum number of common shares which may be issued for all purposes under Equity Incentive Plan shall be increased to 12,492,834 shares of the Corporation representing 20% of the issued and outstanding shares of the Corporation as of the date of this Circular.
- The Equity Incentive Plan is administered by the Board
- The Equity Incentive Plan shall permit the Board to issue Restricted Share Units to Eligible Persons.
- All directors, officers, consultants and employees are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the discretion of the Board.
- Any common shares subject to an option which for any reason is cancelled or terminated without having been exercised, shall again be available for grants under the Equity Incentive Plan.
- The maximum number of common shares which may be reserved for issuance in favour of an optionee, in any twelve (12) month period, is limited to 5% of the shares issued and outstanding;
- The maximum number of common shares which may be reserved for issuance in favour of a consultant, in any twelve (12) month period, is limited to 2% of the shares issued and outstanding;
- The total number of common shares which may be reserved for issuance to people employed to provide investor relations activities may not exceed, in any twelve (12) month period, 2% of the shares issued and outstanding and options granted to such people must vest in stages over 12 months with no more than 25% of the options vesting in any three (3) month period;
- The exercise price of Options granted under the Equity Incentive Plan shall be established by the Board at the time each option is granted which shall in all cases be not less than the Discounted Market Price (as that term is defined in the policies of the TSX-V), subject to a minimum exercise price of \$0.05. If the Corporation does not issue a news release to fix the price, the Discounted Market Price will be the last closing price of the Common Shares on the TSX-V before the date of the stock option grant (less the applicable discount);
- Options are exercisable for a maximum period of five (5) years;
- The Options of an optionee who ceases to be an eligible person under the Equity Incentive Plan will expire on the expiry date of the option or twelve (12) months from the date he ceases to be an eligible person under the Equity Incentive Plan, whichever comes first, subject to any shorter period which

may be imposed in any employment agreement, consulting agreement or any other type of agreement between the Corporation and the optionee. In the case of death, the Options granted to the optionee will expire twelve (12) months following the date of death, subject to the Options' date of expiration;

- The total number of Options granted to Insiders (as a group) at any point in time shall not exceed 10% of the number of issued and outstanding Common Shares of the Corporation at the time of the grant (on a undiluted basis);
- The total number of Options granted to Insiders (as a group) within a 12-month period shall not exceed 10% of the number of issued and outstanding Common Shares of the Corporation at the time of the grant (on a undiluted basis): and
- The Options are non-assignable and not-transferable.

The summary above does not purport to be a complete description of all of the provisions of Equity Incentive Plan. It is qualified in its entirety by reference to the complete text of the Equity Incentive Plan, which has been appended to this Circular as Schedule "B".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the fiscal year ended September 30, 2023, and as at the date of this Circular, none of the directors, executive officers, employees, (or previous directors, executive officers, or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No "informed person" of the Corporation, that is: (a) the directors and executive officers of the Corporation; (b) any person who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Corporation's outstanding voting shares; (c) any director or executive officer of a person referred to in (b) above; or (d) any associate or affiliate of any "informed person" of the Corporation, has any material interest, direct or indirect, in any transaction since October 1, 2023 or in any proposed transaction which has materially affected or would materially affect the Corporation.

APPOINTMENT OF AUDITORS

Management of the Corporation proposes that McGovern Hurley LLP Chartered Professional Accountants be appointed as auditors of the Corporation for the fiscal year ending September 30, 2024. Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote **FOR** the appointment of McGovern Hurley LLP Chartered Professional Accountants, as the auditors of the Corporation, at such remuneration as may be determined by the Board.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

APPROVAL OF THE EQUITY INCENTIVE PLAN

The material terms and conditions of the Equity Incentive Plan are set out under the heading "Equity Incentive Plan" in this Circular.

The Corporation's shareholders will be asked to adopt the following resolution at the Meeting (the "Stock Option Plan **Resolution**"):

"IT IS RESOLVED;

1. **THAT** the Equity Incentive Plan of the Corporation, as described in the Equity Incentive Plan attached to the Circular as Schedule "B" be and is hereby authorized and approved; and
2. **To** authorize any one director or officer of the Corporation to do all acts and things, to execute and to deliver all agreements, documents and instruments, to give all notices and to deliver file and distribute all documents and information with such person determined to be necessary or desirable in connection with or to give effect to and carry out the foregoing resolution"

In order to be adopted, the Equity Incentive Plan Resolution must be approved by a majority of the votes cast by the shareholders, either present in person or represented by proxy at the Meeting.

Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote FOR the Stock Option Plan Resolution.

AUDIT COMMITTEE

Charter of the Audit Committee

The text of the audit committee's charter is attached hereto as Schedule A.

Composition of the Audit Committee

The members of the Audit Committee of the Corporation are Jeffrey York, Lindsay Weatherdon, and Robin Dow. All such members are financially literate and independent members of the Audit Committee, except for Jeffrey York who is the Chairman of the Board, as such terms are defined in NI 52-110.

Education and Relevant Experience

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

Jeffrey York is currently the CEO of Altea Active. Prior to that he was a Partner at Farm Boy stores for 14 years. He worked three years for Ward Mallette Chartered Accountants and twenty years for Giant Tiger Stores which grew from regional discount retail chain into a national billion dollar company and of which he was President for 11 years. Mr. York has been a member of Young Presidents Organization since 2002. Mr. York graduated with an economics degree from Princeton University in 1986 and obtained his Chartered Accountant designation in 1989.

Robin Dow is currently CEO of Dow Group, Explorers Inc. Mr. Dow started as a retail and institutional broker, a research analyst and a branch manager and Vice President of brokerage houses in Calgary, AB. In 1988, Mr. Dow began the Dow Group, leading to a most successful string of public companies.

Lindsay Weatherdon is currently President & CEO of Braille Energy Systems Inc. and Executive Vice-President of Concord National LLP; one of Canada's leading Canadian Consumer Packaged Goods Sales

& Marketing Agencies. Mr. Weatherdon has a diverse background in Global Sales holding Executive Positions in Hardgoods Manufacturing developing retail strategies across Large Box and Warehouse Club formats.

Audit Committee Oversight

At no time since the commencement of the Corporation’s financial year ended September 30, 2022 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s financial year ended September 30, 2023 has the Corporation relied on the exemption provided under Section 2.4 of NI 52-110 (*De minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

However, the Corporation is not required to comply with Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee’s charter attached hereto as Schedule A.

External Auditor Service Fees

The aggregate fees billed by the Corporation’s external auditors in each of the last two (2) fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
September 30, 2023 ⁽¹⁾	\$115,850		-	\$3,050
September 30, 2022	\$127,862	\$18,970	-	-

(1) Auditors changed

CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - Disclosure of Corporate Governance Practices and *National Policy 58-201 Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices.

Board of Directors

1. Independent Directors

The independent directors of the Corporation are Robin Dow and Lindsay Weatherdon.

2. Non Independent Directors

The non-independent directors of the Corporation are Mr. Marc Roy in light of his position as CEO, President and COO of the Corporation and Jeffrey York in light of his compensation and position as Chairman of the Board.

Two of the current four directors are independent; half of the Board thus consists of independent directors. Meetings of the Board are chaired by Jeffrey York. If necessary, the independent members of the Board can meet without non-independent directors and members of management present. Important matters are discussed with the Audit Committee of the Board, which is comprised for the most part of independent directors. These factors allow the Board to preserve its independence with respect to management of the Corporation and to exercise its independent supervision over management.

Directorships

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Jeffrey York	Braille Energy Systems Inc. Stria Lithium Inc.
Lindsay Weatherdon	Braille Energy Systems Inc.
Robin Dow	Stria Lithium Inc

Orientation and Continuing Education

The Corporation does not currently have a formal orientation program for new directors. The Board has not at this time taken any measures to provide continuing education for the directors. However, the directors of the Corporation are encouraged to attend, at the Corporation's expense, any seminar given by the TSX-V or the Canadian Securities Administrators relating to the management of a public company or relating to their responsibilities as a director of a public company. Furthermore, the directors are given access to the Corporation's legal advisors for any questions they may have relating to such responsibilities.

Ethical Business Conduct

In light of the Corporation's stage of development and its limited number of employees, the Board has not taken formal steps to encourage and promote a culture of ethical business conduct.

Nomination of Directors

The Board does not have a nominating committee. The current size and composition of the Board allows the entire Board to take the responsibility for finding and nominating new directors, taking into consideration the competencies, skills, experiences, and ability to devote the required time.

Compensation

The process of compensation is described in the Section "Compensation of Executive Officers and Directors".

Other Board Committees

The Board does not have any standing committee other than the Audit Committee and Compensation Committee.

Assessments

To date, no formal evaluation has been put in place to evaluate the effectiveness of the directors, the descriptions of the positions held or the competence and qualifications that each director is required to bring to the Board. This task is the responsibility of the Board who punctually reviews its operations as well as its directors' role, and its members are encouraged to give feedback regarding the effectiveness of the Board as a whole, its practices and individual directors will, when necessary, make recommendations to the Board.

Disclosure on Diversity and Representation of the Board and Senior Management under the CBCA

The diversity information disclosed herein relates to the representation of women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities and members of visible minorities, defined as designated groups, on the Board of Directors and in senior management of the Corporation as of July 16, 2024.

The Corporation has not adopted written policies and targets relating to the representation of designated groups given that the Corporation is a junior exploration company involved in the exploration of mining projects, that it has no employees, and its business relations are limited.

Given the size of the Board and the operations of the Corporation, the Corporation has not adopted term limits for members of the Board. Directors are elected for a period of one year until the next annual general meeting of shareholders.

The Board of Directors of the Corporation considers diversity in identifying and nominating candidates for election or re-election to the board as well as for making senior management appointments, by carefully evaluating necessary competencies, skills and other qualifications of each candidate as a whole and taking into account the track record in general business management and the ability to devote the time required.

The Corporation has no targets for representation on the board and among senior management for the designated groups. At the present time, one member of senior management may be considered a member of a designated group representing 50% of the senior management of the Corporation, and no member of the Board is a member of a designated group.

SHAREHOLDER PROPOSALS

The *Canada Business Corporations Act* provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides, in effect, that the Corporation must set out the Proposal in its management information circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management information circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before

the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated June 21, 2024, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is March 23, 2025.

The foregoing is a summary only; shareholders should carefully review the provisions of the *Canada Business Corporations Act* relating to Proposals and consult with a legal advisor.

OTHER MATTERS

Management knows of no other matter to come before the Meeting. However, if any other matters which are known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the person's name therein to vote on such matters in accordance with their best judgement.

ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal year ended September 30, 2023, and additional information about the Corporation is available on SEDAR at www.sedar.com.

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) The comparative financial statements of the Corporation for the fiscal year ended September 30, 2023 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for periods subsequent to September 30, 2023 and Management's Discussion and Analysis with respect thereto; and
- (b) this Circular,

please send your request to:

945 Princess Street
Kingston, Box 116, Ontario, K7L 0E9
Telephone: (613) 241-4040
Facsimile: (613) 241-8632
Email: jmazvihwa@focusgraphite.com

APPROVAL OF INFORMATION CIRCULAR

The contents and the mailing of the Circular have been approved by the directors of the Corporation.

Ottawa, July 16, 2024

By order of the Board of Directors

(s) "Marc Roy"

Marc Roy, President & CEO

SCHEDULE A

AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *National Instrument 52-110 Audit Committees* (“**NI 52-110**”).

1. MANDATE AND OBJECTIVES

The mandate of the audit committee of the Corporation (the “**Committee**”) is to assist the board of directors of the Corporation (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- (i) serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- (ii) ensure the independence of the Corporation’s external auditors; and
- (iii) provide better communication among the Corporation’s auditors, the management and the Board.

2. COMPOSITION

The Committee shall be comprised of at least three (3) directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of NI 52-110.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders’ meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

3. MEETINGS AND PROCEDURES

- 3.1 The Committee shall meet at least four (4) times a year or more frequently if required.
- 3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.
- 3.3 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

4.1 Financial Statements and Disclosure Matters

- a) review the Corporation's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;
- b) must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection a) above, and must periodically assess the adequacy of those procedures.

4.2 External Auditors

- a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;
- b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- d) consult with the external auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- e) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;

- f) review the audit plan for the year-end financial statements and intended template for such statements;
- g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
 - i) the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii) such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
 - iii) such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

4.3 Financial Reporting Processes

- a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

SCHEDULE "B"
STOCK OPTION PLAN

See attached.

FOCUS GRAPHITE INC.

July 2024

EQUITY INCENTIVE PLAN

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EQUITY INCENTIVE PLAN

SECTION I - GENERAL PROVISIONS

1.1 Interpretation

For the purposes of this Plan, the following terms shall have the following meanings:

- i) “**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Corporation or the Plan;
- ii) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts that the Corporation is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated;
- iii) “**Award**” means any right granted under the Plan, including a Stock Option or a Restricted Award;
- iv) “**Board**” means the Board of Directors of the Corporation;
- v) “**Common Shares**” means the Common Shares of the Corporation;
- vi) “**Corporation**” means Focus Graphite Inc.;
- vii) “**Consultant**” means an individual (including an individual whose services are contracted through a personal holding corporation) retained by the Corporation or a subsidiary to provide consulting or management services on an ongoing basis;
- viii) “**Continuous Service**” means that the Participant's service with the Corporation or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Corporation or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Corporation to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Corporation transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

- ix) “**Discounted Market Price**” has the same meaning as set forth in Policy 1.1 of the Exchange;
- x) “**Eligible Person**” means, subject to all applicable laws, any employee, officer, director of the Corporation or any subsidiary of the Corporation, Consultant or Management Company Employees;
- xi) “**Exchange**” means the TSX Venture Exchange or any other stock exchange on which the Common Shares are listed and posted for trading;
- xii) “**Exercise Price**” means the exercise price of an Option, as determined pursuant to Section 2.4 herein;
- xiii) “**Expiry Date**” means the last day on which an Option may be exercised;
- xiv) “**Fair Market Value**” means as of any particular date, the value of the Common Shares as determined by the Board in accordance with the following: (a) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the weighted average trading price of a Common Share on the Exchange during the last five trading days prior to that particular date on which at least a board lot of Common Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; provided, however, that if the Common Shares are not then listed and posted for trading on the Exchange, then the Fair Market Value shall mean the weighted average trading price of a Common Share on such stock exchange in Canada or the United States on which the Common Shares are then listed and posted for trading during the last five trading days prior to that particular date (and, if in United States dollars, converted to Canadian dollars using the Bank of Canada Rate) or, if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Board in its sole discretion, and such determination shall be conclusive and binding on all persons;
- xv) “**Grant Date**” means the date on which the Board adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution;
- xvi) “**Insider**” means in relation to the Corporation;
 - (a) a director or senior officer of the Corporation;
 - (b) a director or senior officer of a company that is an Insider or subsidiary of the Corporation; or
 - (c) a person that beneficially owns or controls, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common

Shares of the Corporation;

- xvii) “**Investor Relations Activities**” means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase and sale of securities of the Corporation, but does not include the activities excluded by policy 1.1 of the Exchange;
- xviii) “**Investor Relations Services Provider**” includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities.
- xix) “**ITA**” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time;
- xx) “**Management Company Employees**” means an individual employed by an entity providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relation Activities;
- xxi) “**Notice of Exercise**” means the notice of exercise to be signed and delivered to the Corporation by the Participant, the form of which is attached hereto as Appendix A to Schedule A;
- xxii) “**Option**” means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;
- xxiii) “**Participant**” means Eligible Persons to whom Options have been granted;
- xxiv) “**Plan**” means this Stock Option Plan of the Corporation;
- xxv) “**Restricted Award**” means any Award granted pursuant to Section 3.1 to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.
- xxvi) “**Restricted Period**” means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.
- xxvii) “**Restricted Share Unit**” or “**RSU**” means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Corporation to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 3 to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment;
- xxviii) “**Share Compensation Arrangement**” means any stock option, stock option plan,

employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

- xxix) “**Share Unit**” means either an RSU or Dividend Equivalent as the context requires;
- xxx) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person.

In this Plan, words imparting the singular number only shall include the plural and vice versa and words imparting the masculine shall include the feminine.

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

1.2 Purpose

The purpose of the Plan is to advance the interests of the Corporation by:

- 1.2.1 providing Eligible Persons with additional incentive;
- 1.2.2 encouraging stock ownership by such Eligible Persons;
- 1.2.3 increasing the proprietary interest of Eligible Persons in the success of the Corporation;
- 1.2.4 encouraging Eligible Persons to remain with the Corporation or its subsidiaries; and
- 1.2.5 attracting new employees and officers.

1.3 Administration

- 1.3.1 The Plan shall be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than two (2) independent directors (a “**Committee**”). If a Committee is appointed for this purpose, all references herein to the Board will be deemed to be references to the Committee.
- 1.3.2 Subject to the limitations of the Plan, the Board shall have the authority to:
 - 1.3.2.1 grant options to purchase Common Shares to Eligible Persons;
 - 1.3.2.2 determine the terms, limitations, restrictions and conditions respecting such grants;
 - 1.3.2.3 interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the plan as it shall from time to time deem advisable; and

1.3.2.4 make all other determinations and take all other actions in connection with the implementation and administration of the Plan.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Corporation and all other persons.

1.4 Shares Reserved

- 1.4.1 The maximum number of Common Shares which may be issued for all purposes under the Plan shall be equal to 12,492,834 Common Shares.
- 1.4.2 The maximum number of Common Shares which may be reserved for issuance to any one person under the Plan shall not exceed, on any twelve (12) month period, 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other compensation or incentive mechanism granting Common Shares from treasury.
- 1.4.3 Any Common Shares subject to an Option which for any reason is cancelled or terminated without having been exercised, shall again be available for grants under the Plan.
- 1.4.4 The maximum number of Common Shares which may be reserved for issuance to a Consultant shall not exceed, on any twelve (12) month period, 2% of the Common Shares outstanding at the time of grant (on a non-diluted basis);
- 1.4.5 The maximum number of Common Shares which may be reserved for issuance to all persons providing Investor Relations Activities shall not exceed, on any twelve (12) month period, 2% of the Common Shares outstanding at the time of the grant (on a non-diluted basis). No acceleration of the vesting provision is allowed without prior Exchange acceptance, in connection with options held by persons providing Investor Relations Activities;
- 1.4.6 The total number of Options granted to Insiders (as a group), within a 12-month period, shall not exceed 10% of the number of issued and outstanding Common Shares of the Corporation at the time of the grant (on a undiluted basis).
- 1.4.7 The maximum number of Common Shares that are issuable pursuant to the Options granted or issued to Insiders (as a group) shall not exceed 10% of the number of issued and outstanding Common Shares of the Corporation at any point in time (unless the Issuer has obtained the requisite disinterested Shareholder approval).

1.5 Capital Reorganization

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other change in the

capital of the Corporation affecting Common Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 1.4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 1.4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options; (v) the number of Share Units in the Participants' Share Unit Accounts; and (vi) the vesting of RSUs or DSUs (and related Dividend Equivalents) provided, however, that no adjustment will obligate the Corporation to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 1.5 shall be made in compliance with section 7(1.4)(c) of the ITA and subject to the rules of the Exchange, to the extent applicable. The Corporation shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

1.6 Additional Share Compensation Arrangements

Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approvals.

1.7 Amendment and termination

- 1.7.1 The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation and subject to any required approval. No such amendment, suspension or termination shall alter or impair any Options or any rights pursuant thereto granted previously to any Participant without the consent of such Participant. 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 shall continue in effect during such time as an Option or any rights pursuant thereto remain outstanding.
- 1.7.2 With the consent of the affected Participants, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an Option becomes exercisable, subject to any required approvals.
- 1.7.3 In the event the Board wishes to reduce the Exercise Price or extend the term of Options granted to a Participant who is an insider of the Corporation at the time of the proposed price reduction or term extension, said price reduction or term extension will be subject to disinterested shareholder approval.

1.8 Compliance with legislation

The Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell and

deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and policies of the Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require regulatory approval of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly approved for listing on the Exchange, upon official notice of issuance. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

SECTION II - OPTIONS

2.1 Grants

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in paragraph 2.4 hereof, applicable to the exercise of an Option, including without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.

In the event Options are granted to employees, Consultants or Management Company Employees, the Corporation must declare and represent that the Eligible Person is a *bona fide* employee, Consultant or Management Company Employee, as the case may be.

2.2 Notice of Grant

Following the grant of an Option by the Board, the President or any other member designated by the Board shall notify in writing the Participant (the “**Notice of Grant**”), such Notice of Grant shall include a copy of the Plan and a stock option agreement, the form of which is attached hereto as Schedule A.

2.3 Copy of the Plan

Each Eligible Person shall be given, along with the Notice of Grant, two (2) copies of the Plan and shall, within a delay of ten (10) days following the receipt of the Notice of Grant, sign and return a copy of the Plan to the Board. The Board shall, as soon as possible, deliver two (2) copies of any modifications to the Plan to a Participant, which shall, within a delay of ten (10) days following the receipt of said notice, sign a copy of the modification and return it to the Board.

2.4 Option Price

The Board shall establish the Exercise Price at the time each Option is granted, which shall in all cases be not less than the Discounted Market Price, subject to a minimum exercise price of \$0.05. If the issuer does not issue a news release to fix the price, the Discounted Market Price will be the last closing price of the Common Shares on the Exchange before the date of the stock option grant (less the applicable discount). The option price shall be subject to adjustment in accordance with the provisions of paragraph 1.5 hereinabove.

2.5 Exercise of Options

- 2.5.1 Options granted must be exercised no later than five (5) years after the date of grant or such lesser period as determined by the Board or as the regulations made pursuant to the Plan may require.
- 2.5.2 Options shall not be transferable or assignable by the Participants otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representatives.
- 2.5.3 Except as otherwise determined by the Board:
 - 2.5.3.1 if a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable on the Expiry Date or 12 months after the Termination Date whichever comes first, subject to any shorter period which may be imposed in any employment agreement, consulting agreement or any other type of agreement between the Corporation and the Eligible Person. If any portion of an Option is not vested by the Termination Date, that portion of the Option may not under any circumstances be exercised by the Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
 - 2.5.3.2 if a Participant dies, each Option held by the Participant at the time of his death will cease to be exercisable on the Expiry Date or twelve (12) months after the Termination Date whichever comes first.

- 2.5.4 The Exercise Price of each Common Share purchased under an Option shall be paid in full in cash or by bank draft or certified cheque at the time of such exercise, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- 2.5.5 Subject to the provisions of the Plan, an option may be exercised from time to time by delivery to the Corporation at its registered office of the Notice of Exercise addressed to the Corporation specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the Exercise Price of the Common Shares to be purchased. Certificates for such Common Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice and payment.
- 2.5.6 An Option issued to a Consultant performing Investor Relations Activities must vest in stages over twelve (12) months from the date of grant with no more than 25% of the Option vesting in any three (3) month period.
- 2.5.7 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Common Shares to a Participant pursuant to the exercise of an Option shall be subject to:
- 2.5.7.1 completion of such registration or other qualification of such Common Shares or obtaining approval of such governmental or regulatory authority as counsel to the Corporation shall reasonably determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
 - 2.5.7.2 the admission of such Common Shares to listing on the Exchange; and
 - 2.5.7.3 the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to safeguard against the violation of the laws of any jurisdiction.

In this connection, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for issuance of such Common Shares in compliance with applicable laws and for the admission to listing of such Common Shares on the Exchange.

2.6 Hold Period

The Options and the Shares which shall be issued following the exercise of such Options, shall be subject to a four (4) month hold period commencing on the date of grant and shall bear the following legend:

“Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate and the securities issued hereunder may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Ventures Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date that is 4 months and 1 day following the date of grant].”

SECTION III – PROVISIONS OF AWARDS OTHER THAN OPTIONS

3.1 Restricted Awards

3.1.1 Restricted Share Units

The Board may, from time to time, grant RSUs to Participants, other than Participants performing Investor Relations Activities. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Board shall be evidenced by an RSU Agreement. Unless otherwise provided in the applicable Award Agreement, RSUs granted to a Participant shall be awarded solely in respect of performance of such Participant in the calendar year in which the Grant Date occurs (the "**Service Year**"). In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the Corporation. No Common Shares shall be issued at the time an RSU is granted, and the Corporation will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 3.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

3.1.2 Deferred Share Units

The Board may also grant RSUs with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event set forth in an Award Agreement ("**DSUs**").

3.1.3 Dividend Equivalents

At the discretion of the Board, each RSU and DSU (representing one Common Share) may be credited with cash and stock dividends paid by the Corporation in respect of one Common Share ("**Dividend Equivalents**"). Dividend Equivalents shall be withheld by the Corporation and credited to the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents credited to the Participant's account at a rate and subject to such terms as determined by the Board. Dividend Equivalents credited to a Participant's Share Unit Account and attributable to any particular RSU or DSU (and earnings thereon, if applicable) shall be distributed in cash or, at the discretion of the Board, in Common Shares having a Fair Market Value equal to the amount of such Dividend Equivalents and earnings, if applicable, to the Participant upon settlement of such RSU or DSU and, if such RSU or DSU is forfeited, the

Participant shall have no right to such Dividend Equivalents.

3.1.4 Restrictions

3.1.4.1 RSUs and DSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs or DSUs are forfeited, all rights of the Participant to such RSUs or DSUs shall terminate without further obligation on the part of the Corporation and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.

3.1.4.2 The Board shall have the authority to remove any or all of the restrictions on the RSUs and DSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs or DSUs are granted, such action is appropriate.

3.1.5 Restricted Period

Subject to the terms of any employment agreement or executive agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s). Subject to the provisions of this Plan, no RSU may vest before the date that is one (1) year following the date such RSU is granted or issued, and all vesting conditions shall be such that the RSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Board in the applicable Award Agreement.

3.1.6 Settlement of Restricted Share Units and Deferred Share Units

On or within 60 days following the Vesting Date of a Share Unit (and in any event no later than December 31 of the third year following the year in respect of which the Share Unit is granted) (the "**Settlement Date**"), and subject to Section 4.3, the Corporation shall (i) issue to Participant or Beneficiary, as applicable, from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver, or cause to be delivered, to the Participant or Beneficiary, as applicable, Common Shares purchased in the open market equal to the number of vested Share Units held by the Participant as of the Settlement Date (rounded down to the nearest whole number), (iii) deliver to the Participant or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iv) a combination of (i), (ii) and (iii). Upon the expiration of the Restricted Period with respect to any outstanding RSUs, or at the expiration of the deferral period with respect to any outstanding DSUs, the Corporation shall deliver to the Participant, or their beneficiary, without charge, one Common Share for each such outstanding vested RSU or DSU ("**Vested Unit**") provided, however, that if explicitly provided in the

applicable Award Agreement, the Board may, in its sole discretion, elect to pay cash or part cash and part Common Shares in lieu of delivering only Common Shares for Vested Units. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value of the Common Shares as of the date on which the Restricted Period lapsed in the case of RSUs, or the delivery date in the case of DSUs, with respect to each Vested Unit.

3.1.7 Share Unit Accounts.

An account, called a "Share Unit Account", shall be maintained by the Corporation for each Participant and will be credited with such grants of RSUs, DSUs, or Dividend Equivalents as are received by the Participant from time to time. Share Units that fail to vest or that are settled in accordance with Section 3.1.6 shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs or DSUs, such RSUs or DSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.

SECTION IIIV - MISCELLANEOUS PROVISIONS

4.1 The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Common Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Exercise Price of the Common Shares in respect of which the Option is being exercised).

4.2 Nothing in the Plan or any Option shall confer upon a Participant any right to continue in the employment of the Corporation or any subsidiary or affect in any way the right of the Corporation or any subsidiary to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any subsidiary to extend the employment of any Participant beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any subsidiary.

4.3 Withholding Obligations. It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, a Participant shall, at the Participant's discretion:

- (a) pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial, local or other law

relating to the Applicable Withholding Taxes in connection with such issuance;

- (b) authorize a securities dealer designated by the Corporation, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (c) make other arrangements acceptable to the Corporation to fund the Applicable Withholding Taxes.

4.4 Notwithstanding anything to the contrary herein, an Investor Relations Services Provider may not receive any Award under this Plan other than Stock Options.

SCHEDULE A

STOCK OPTION AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 20__.

BETWEEN: [NAME OF PARTICIPANT],
(hereinafter called the “**Optionee**”)

OF THE FIRST PART

AND: **FOCUS GRAPHITE INC.**, having its office at 945 Princess Street, Box 116, Kingston, Ontario, K7L 0E9
(hereinafter called the “**Corporation**”)

OF THE SECOND PART

WHEREAS the directors of the Corporation have authorized the granting of options to purchase shares in the capital of the Corporation to the Optionee who is either a director, officer, *bona fide* employee or *bona fide* consultant of the Corporation;

AND WHEREAS this option is being granted to the Optionee under the Corporation’s equity incentive plan (the “**Plan**”);

NOW THEREFORE THIS AGREEMENT WITNESSES:

DEFINITION

1. In this Agreement the term “share” or “shares” means, as the case may be, one or more common shares without par value in the capital stock of the Corporation as constituted at the date of this Agreement.

GRANTING OF OPTION

2. The Corporation hereby irrevocably grants to the Optionee a non-transferable, non-assignable option to purchase _____ shares in the capital stock of the Corporation (hereinafter called the “**Option**”) at a price of \$ per share (the “**Option Price**”) on the terms and conditions hereinafter set forth. The Option shall also be subject to the terms and conditions of the Plan, a copy of which is delivered to the Optionee along with this Stock Option Agreement.

EXERCISE OF OPTION

3. Subject to the provisions hereof, the Option, or any part thereof, may be exercised by the Optionee upon receipt of all necessary regulatory approvals on or before the close of

business of the Corporation's principal office on _____ (such time and date being hereinafter called the "Expiry Time"), by notice in writing (the "Notice of Exercise") to the Corporation, in the form attached hereto as Appendix A, subject to the following vesting provisions:

[Indicate vesting period, if any]

Any such notice given to the Corporation (an "Exercise Notice") shall specify the number of shares with respect to which the Option is being exercised and shall be accompanied by a certified cheque drawn on a Canadian chartered bank in favour of the Corporation in full payment of the Option Price for the number of shares then being purchased.

- Options shall be subject to a four (4) month hold period in accordance with Section 2.6 of the Plan.

DELIVERY OF SHARE CERTIFICATE

- The Corporation shall, within a reasonable delay after receipt of the Notice of Exercise, deliver to the Optionee a share certificate representing the number of shares with respect to which the Option was exercised and issued as of the date of the Notice of Exercise.
- A Notice of Exercise shall be deemed to have been given, if delivered, on the date of delivery, or if mailed, on the date of mailing. A mailed Notice of Exercise shall be sent by prepaid registered mail addressed to the Corporation at the following address:

945 Princess Street
Box 116
Kingston, Ontario
K7L 0E9

OPTION ONLY

- Nothing herein contained or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any shares of the Corporation, except those shares in respect of which the Optionee shall have exercised all or any part of the Option granted hereunder.
- The Optionee shall have no rights whatsoever as a shareholder in respect of any of the shares optioned hereunder other than in respect of optioned shares for which the Optionee shall have exercised all or any part of the Option granted hereunder and which shall have been taken up and paid for in full.

TSX VENTURE EXCHANGE

- This Agreement and the grant of the Option is subject to acceptance by the Exchange in accordance with the rules and policies of the Exchange and the Optionee hereby agrees to be bound by any modification of the terms and conditions of the Option as may be

required by the Exchange. The Option may not be exercised until such acceptance has been received by the Corporation.

TERMINATION OF OPTION

10. The Option is not assignable or transferable and any portion of the Option which is not vested prior to the date upon which the Optionee ceases to be a director, officer, employee or consultant of the Corporation shall terminate immediately. Any unexercised but vested portion of the Option shall remain exercisable in accordance with the terms and conditions set forth in the Corporation’s Plan. Should such cessation be due to the death of the Optionee, the legal representatives of the Optionee shall have the right to exercise any unexercised but vested portion of the Option in accordance with the terms and conditions set forth in the Corporation’s Plan.

TIME OF THE ESSENCE

11. Time shall be of the essence of this Agreement.

SUCCESSORS

12. This Agreement shall enure to the benefit of and be binding upon the heirs, executors and administrators of the Optionee and the successors of the Corporation.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed as of the day and year first above written.

EXECUTED and DELIVERED by the))	
Optionee in the presence of:)	
)	
_____)	
Name)	
)	
_____)	_____
Address)	• (name of Optionee)
)	
_____)	
)	
_____)	
Occupation)	

FOCUS GRAPHITE INC.

Per: _____
Authorized Signatory

APPENDIX A

NOTICE OF EXERCISE

TO: **FOCUS GRAPHITE INC.** (the “**Corporation**”)
c/o Board of Directors

FROM: _____ (the “**Optionee**”)

Terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Stock Option Agreement between the Optionee and the Corporation.

The Optionee hereby exercises the Option granted to the Optionee and hereby subscribes for _____ common shares of the Corporation (the “**Common Shares**”) in accordance with and subject to the provisions of the Stock Option Agreement and the Corporation’s Plan and herewith makes payment of the Option Price in full for the said number of Common Shares.

The certificate(s) representing such Common Shares is to be registered as follows:

[Registration]

[Address]

[City, Province, Postal Code]

DATED this _____ day of _____, 20____.

[Signature of Optionee]

[Print full name of Optionee]

