

**IMETAL RESOURCES INC.**  
Suite 550, 800 West Pender Street  
Vancouver, British Columbia, V6C 2V6

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

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**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of iMetal Resources Inc. (the “**Company**”) will be held at Suite 550 – 800 West Pender Street, Vancouver, British Columbia, Canada on August 7, 2025, at 11:00 a.m. (Pacific time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the previous financial year ended May 31, 2024 together with the report of the auditor thereon;
2. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;
3. to fix the number of the directors to hold office for the ensuing year at three (3);
4. to elect directors to hold office for the ensuing year;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the adoption of a new omnibus incentive plan (the “**Compensation Plan**”), as more fully set out under the heading “Approval of Compensation Plan” in the accompanying Management Information Circular (the “**Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting.

**A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular.**

**We strongly encourage Shareholders to vote their common shares prior to the Meeting by proxy, prior to the proxy cut-off at 11:00 a.m. on Tuesday, August 5, 2025.**

As set out in the notes, the enclosed proxy is solicited by management but, you may amend it, if you so desire, by striking out then names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

**DATED** this 27<sup>th</sup> day of June 2025

By order of the Board of Directors

**IMETAL RESOURCES INC.**

/s/ “*Satvir Dhillon*”

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Satvir Dhillon  
President, Chief Executive Officer and Director

**IMETAL RESOURCES INC.**  
Suite 550, 800 West Pender Street  
Vancouver, British Columbia, V6C 2V6

**MANAGEMENT INFORMATION CIRCULAR**

(containing information at June 27, 2025 unless otherwise stated)

**For the Annual General and Special Meeting of Shareholders  
to be held on Thursday, August 7, 2025**

**SOLICITATION OF PROXIES**

This Management Information Circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by the management of iMetal Resources Inc. (the “**Company**”), for use at the annual general and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of the Company to be held on **Thursday, August 7, 2025**, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The enclosed instrument of proxy (the “**Proxy**”) is solicited by the management of the Company (“**Management**”). The solicitation will be primarily by mail however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

**We strongly encourage Shareholders to vote their common shares prior to the Meeting by proxy, prior to the proxy cut-off at 11:00 a.m. (Pacific time) on Tuesday, August 5, 2025.**

**APPOINTMENT OF PROXYHOLDERS**

The persons named in the Proxy are representatives of the Company.

**A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder’s behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder’s nominee in the blank space provided or complete another suitable form of proxy.**

A Proxy will not be valid unless it is duly completed, signed, and deposited with the Company’s registrar and transfer agent, Computershare Trust Company of Canada (“**Computershare Trust**”) by hand or mail at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or vote online as listed on the form of proxy or voting information form, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A Proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. See also the form of proxy for instructions as to the use of online voting.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

**VOTING BY PROXYHOLDER**

**Manner of Voting**

The common shares represented by the Proxy, 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 the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the

persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

### **Revocation of Proxy**

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand or mail, with Computershare Trust at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation. See also the form of proxy for instructions as to the use of online voting.

### **Voting Thresholds Required for Approval**

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

### **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the “**Registered Shareholders**”) may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Computershare Trust using one of the following methods:

- (a) by completing, dating and signing the enclosed form of proxy and returning it by mail or mail to Computershare Trust at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Dept.; or
- (b) by fax to +1-888-453-0330; or
- (c) by using the internet as listed on the form of Proxy or Voter Information Card.

### **Returning your Proxy Form**

To be effective, we must receive your completed proxy form or voting instruction no later than 11:00 a.m. (Pacific time) on **Tuesday, August 5, 2025**.

If the Meeting is postponed or adjourned, we must receive your completed form of proxy by 5:00 p.m. (Pacific time), two full business days before any adjourned or postponed Meeting at which the proxy is to be used. Late

proxies maybe accepted or rejected by the Chairman of the Meeting at his discretion and he is under no obligation to accept or reject a late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Shareholders who do not hold their shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder's intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder.

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

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Company has elected to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a Voting Instruction Form (“**VIF**”) from our Transfer Agent, Computershare Trust. The Company does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

### **Non-Objecting Beneficial Owners**

Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“VIF”) from the Company’s transfer agent, Computershare Trust. These VIFs are to be completed and returned to Computershare Trust in the envelope provided or by facsimile. In addition, Computershare Trust provides internet voting as described on the VIF itself which contains complete instructions. Computershare Trust will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these proxy-related materials to you directly, the Company (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF

### **Objecting Beneficial Owners**

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions to client, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

### **United States Shareholders**

This solicitation of Proxies and VIFs involves securities of a company located in Canada and is being effected in accordance with the corporate and securities laws of the province of British Columbia, Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of British Columbia, Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### **Notice-and-Access**

The Company is not relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of the Circular, Proxy or VIF.

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

Except as otherwise disclosed herein, none of the directors (“**Directors**”) or officers (“**Officers**”) of the Company, at any time since the beginning of the Company’s last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors. Directors and Officers may, however, be interested in the approval of the Compensation Plan (as defined herein) as detailed in “*Approval of Compensation Plan*” below, as such persons are entitled to participate in the Compensation Plan.

## **RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

A Shareholder of record at the close of business on June 27, 2025 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have such shareholder’s shares voted at the Meeting, or any adjournment thereof.

The Company’s authorized capital consists of an unlimited number of common shares (“**Common Shares**”) without par value. As at the Record Date, the Company has 10,074,646 Common Shares issued and outstanding, each share carrying the right to one vote.

### **Principal Holders of Voting Securities**

To the best of the knowledge of the directors and senior officers of the Company, as of the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, 10% or more of the voting rights attached to all outstanding Common Shares of the Company.

## **EXECUTIVE COMPENSATION**

For the purposes of this Circular, a named executive officer (“**NEO**”) of the Company means each of the chief executive officer (“**CEO**”) of the Company, the chief financial officer (“**CFO**”) of the Company, and each of the most highly compensated executive officers, other than the CEO or CFO, whose total compensation was more than \$150,000 for that financial year.

### **Statement of Executive Compensation**

The following information regarding executive compensation is presented in accordance with *National Instrument Form 51-102F6V – Statement of Executive Compensation* and sets forth compensation for each of the NEOs and Directors of the Company for each of the three most recently completed financial years. Unless otherwise noted, all dollar figures are expressed Canadian dollars.

### **Director and NEO Compensation, Excluding Compensation Securities**

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, and each director, in any capacity, during the two most recently completed financial years ending May 31, 2023 and 2024:

| <b><i>Table of Compensation Excluding Compensation Securities</i></b> |                           |                                                                |                       |                                           |                                      |                                                 |                                    |
|-----------------------------------------------------------------------|---------------------------|----------------------------------------------------------------|-----------------------|-------------------------------------------|--------------------------------------|-------------------------------------------------|------------------------------------|
| <b>Name and Position</b>                                              | <b>Year<sup>(1)</sup></b> | <b>Salary, consulting fee, retainer or commission<br/>(\$)</b> | <b>Bonus<br/>(\$)</b> | <b>Committee or meeting fees<br/>(\$)</b> | <b>Value of perquisites<br/>(\$)</b> | <b>Value of all other compensation<br/>(\$)</b> | <b>Total compensation<br/>(\$)</b> |
| <b>Satvir Dhillon</b><br><i>President, CEO and Director</i>           | 2023                      | 210,000                                                        | Nil                   | Nil                                       | Nil                                  | Nil                                             | 210,000                            |
|                                                                       | 2024                      | 210,000                                                        | Nil                   | Nil                                       | Nil                                  | Nil                                             | 210,000                            |
| <b>Scott Davis</b><br><i>Director</i>                                 | 2023                      | 12,500                                                         | Nil                   | Nil                                       | Nil                                  | Nil                                             | 12,500                             |
|                                                                       | 2024                      | 20,000                                                         | Nil                   | Nil                                       | Nil                                  | Nil                                             | 20,000                             |
| <b>Ralph Timothy Henneberry</b><br><i>Director</i>                    | 2023                      | 63,701                                                         | Nil                   | Nil                                       | Nil                                  | Nil                                             | 63,701                             |
|                                                                       | 2024                      | 60,000                                                         | Nil                   | Nil                                       | Nil                                  | Nil                                             | 60,000                             |
| <b>Joyce Liu<sup>(2)</sup></b><br><i>former CFO</i>                   | 2023                      | 25,000                                                         | Nil                   | Nil                                       | Nil                                  | Nil                                             | 25,000                             |
|                                                                       | 2024                      | N/A                                                            | N/A                   | N/A                                       | N/A                                  | N/A                                             | N/A                                |

**Table of Compensation Excluding Compensation Securities**

| Name and Position                                                     | Year <sup>(1)</sup> | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|-----------------------------------------------------------------------|---------------------|-----------------------------------------------------|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| <b>Eddy Yu<sup>(3)</sup></b><br><i>former CFO</i>                     | 2023                | 2,000                                               | Nil        | Nil                            | Nil                       | Nil                                  | 2,000                   |
|                                                                       | 2024                | 2,000                                               | Nil        | Nil                            | Nil                       | Nil                                  | 2,000                   |
| <b>Robert Coltura<sup>(4)</sup></b><br><i>former Director</i>         | 2023                | 12,500                                              | Nil        | Nil                            | Nil                       | Nil                                  | 12,500                  |
|                                                                       | 2024                | 5,000                                               | N/A        | N/A                            | N/A                       | N/A                                  | 5,000                   |
| <b>Scott Zelligan<sup>(5)</sup></b><br><i>former VP – Exploration</i> | 2023                | 168,000                                             | Nil        | Nil                            | Nil                       | Nil                                  | 168,000                 |
|                                                                       | 2024                | 111,645                                             | N/A        | N/A                            | N/A                       | N/A                                  | 111,645                 |

(1) Financial year ended May 31.

(2) Ms. Liu resigned as CFO of the Company on March 31, 2023.

(3) As disclosed in the press release dated July 5, 2023, Mr. Yu, CFO of the Company passed away on June 29, 2023.

(4) Mr. Coltura resigned as a Director of the Company on July 26, 2023.

(5) Mr. Zelligan was the Vice-President Exploration until February 29, 2024.

**Stock Options and other Compensation Securities**

The Company did not grant any stock options to the NEOs or Directors of the Company in the most recently completed financial year ended May 31, 2024.

At the end of the most recently completed financial year, the Company's NEOs and directors held the stock options set forth in the following.

| COMPENSATION SECURITIES                            |                               |                                                                                             |                        |                                          |                                                                        |                                                                   |             |
|----------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------|------------------------|------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------|-------------|
| Name and Position                                  | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
| <b>Satvir Dhillon</b><br>President, CEO & Director | Stock Options                 | 12,500                                                                                      | 2020-11-18             | \$7.00                                   | \$1.40                                                                 | \$1.40                                                            | 2025-11-18  |
|                                                    | Stock Options                 | 100,000                                                                                     | 2022-04-08             | \$3.30                                   | \$3.30                                                                 | \$2.85                                                            | 2027-04-08  |
|                                                    | Stock Options                 | 7,500                                                                                       | 2022-09-28             | \$0.75                                   | \$0.60                                                                 | \$2.10                                                            | 2027-09-28  |
| <b>Tim Henneberry</b><br>Director                  | Stock Options                 | 10,000                                                                                      | 2020-11-18             | \$7.00                                   | \$1.40                                                                 | \$1.40                                                            | 2025-11-18  |
|                                                    | Stock Options                 | 30,000                                                                                      | 2022-04-08             | \$3.30                                   | \$3.30                                                                 | \$2.85                                                            | 2027-04-08  |
|                                                    | Stock Options                 | 7,500                                                                                       | 2022-09-28             | \$0.75                                   | \$0.60                                                                 | \$2.10                                                            | 2027-09-28  |
| <b>Scott Davis</b><br>Director                     | Stock Options                 | 8,000                                                                                       | 2020-11-18             | \$7.00                                   | \$1.40                                                                 | \$1.40                                                            | 2025-11-18  |
|                                                    | Stock Options                 | 20,000                                                                                      | 2022-04-08             | \$3.30                                   | \$3.30                                                                 | \$2.85                                                            | 2027-04-08  |

**Exercise of Compensation Securities by Directors and NEOs**

No NEO or Director of the Company exercised compensation securities in the two most recently completed financial years ended May 31, 2023 and 2024.

## **Stock Option Plans and Other Compensation Plans**

The Company previously adopted a 10% rolling stock option plan (the “**Option Plan**”) enabling the Directors to grant options to employees, directors and officers of the Company and to persons providing ongoing services to the Company.

The purpose of the Option Plan is to attract, retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth.

At this years’ meeting, shareholders will be asked to approve adoption of a new form of compensation plan (the “**Compensation Plan**” or the “**Plan**”) with an effective date of June 30, 2025, to replace its existing Option Plan. The Compensation Plan allows for the Company to issue stock options (“**Options**”), restricted share units (“**RSUs**”) and deferred share units (“**DSUs**”), to purchase common shares of the Company to any NEO, Director, employee or consultant of the Company or any of its subsidiaries (collectively, the “**Participants**”).

**For details of the Compensation Plan, see “Particulars of Matters to be Acted Upon – Approval of Compensation Plan” below.**

There are presently 999,700 Options outstanding under the Option Plan of which 795,500 are held directly or indirectly by NEOs or Directors.

## **External Management Contracts**

Satvir Dhillon, the Company’s CEO, is not an employee of the Company, but rather derives his compensation indirectly through an agreement as described in “*Employment, Consulting and Management Agreements*” below.

## **Employment, Consulting and Management Agreements**

Other than as disclosed and below, no services were provided to the Company during the most recently completed financial year by a NEO or Director, or any other party who provided services typically provided by a NEO or Director, pursuant to any employment, consulting or management agreement between the Company and any other party, and the Company has no agreement or arrangement with any NEO, Director or any other party with respect to any change of control of the Company or any severance, termination or constructive dismissal of any NEO, Director or any other party, or any incremental payments triggered by any such change of control, severance, termination or constructive dismissal.

### ***Consulting Agreement with Seahawk Capital Corp. and Satvir Dhillon***

The Company entered into a consulting agreement on May 31, 2020 with Satvir Dhillon and Seahawk Capital Corp. (“**Seahawk**”), a company wholly controlled by Mr. Dhillon, for services as CEO of the Company (the “**Seahawk Agreement**”). Pursuant to the Seahawk Agreement, from April 2022 onwards the Company pays a fee of \$17,500 per month to Seahawk. The Seahawk Agreement also provides Mr. Dhillon to be eligible for a bonus based on the achievement and satisfaction of certain goals and objectives on such terms and conditions as established by the board of Directors (the “**Board**”).

The Seahawk Agreement may be terminated: (i) by Seahawk, at any time, for any reason, without cause or entitlement to any further compensation, upon 30 days’ written notice to the Company; (ii) by either party, for cause, at any time without entitlement to any further compensation, in the event of a failure by the other party to comply with any of the provisions of the Seahawk Agreement, where such failure has been communicated to the other party and a reasonable opportunity to cure the failure has been provided, or, in the case of termination by the Company, the death or incapacity of Mr. Dhillon or conduct by Seahawk including but not limited to a persistent failure to follow the directions of the Board, or any act of gross negligence or willful misconduct; or (iii) by the Company, at any time, without cause or reason, by written notice to Seahawk.

If the Company terminates the Seahawk Agreement without cause or reason, the Company must pay Seahawk the fees due to Seahawk for three month following termination, or the remainder of the term of the Seahawk Agreement, whichever is less, within ten business days from the date of termination.

In the event that during the term of the Seahawk Agreement there was a successful take-over bid of the Company or a change of control in the Company resulting from a merger by way of an amalgamation or plan of arrangement or if any shareholder acquires in excess of 50% of the common shares of the Company, then Seahawk at any time within 120 days of such event will be entitled to terminate the Seahawk Agreement and to receive the aggregate cash compensation equivalent to two years payment of the cash compensation per the Seahawk Agreement.

In addition, any options held by Mr. Dhillon on the date of termination will be exercisable until the earlier of 90 days following such date and expiry of the option term.

## **Oversight and Description of Director and NEO Compensation**

### ***Compensation of Directors***

The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Compensation Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Compensation Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

### ***Compensation of NEOs***

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

### **Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of May 31, 2024:

| <b><i>Equity Compensation Plan Information</i></b>                   |                                                                                                            |                                                                                            |                                                                                                                                                          |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Plan Category</b>                                                 | <b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<br/>(a)</b> | <b>Weighted-average exercise price of outstanding options, warrants and rights<br/>(b)</b> | <b>Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)<br/>(c)</b> |
| Equity compensation plans approved by securityholders <sup>(1)</sup> | 299,700                                                                                                    | \$3.23                                                                                     | 261,096                                                                                                                                                  |
| Equity compensation plans not approved by securityholders            | N/A                                                                                                        | N/A                                                                                        | N/A                                                                                                                                                      |
| <b>TOTAL</b>                                                         | 299,700                                                                                                    | \$3.23                                                                                     | 261,096                                                                                                                                                  |

(1) Represents the Compensation Plan of the Company, which reserves a number of common shares equal to 10% of the

*then outstanding common shares from time to time for issue pursuant to stock options or incentive securities. For further information on the Compensation Plan, refer to the headings "Approval of Compensation Plan".*

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102, none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "**Informed Person**" means (a) a Director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Company's financial statements for the financial year ended May 31, 2024, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**") is the Company's Auditor. Management is recommending the appointment of Davidson as Auditor for the Company, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board.

**Management recommends the appointment, and the persons named in the enclosed form of Proxy intend to vote in favour of such appointment.**

### **MANAGEMENT CONTRACTS**

Except as disclosed herein, the Company is not a party to a Management contract whereby management functions are to any substantial degree performed other than by the directors or executive officers of the Company.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Presentation of Financial Statements**

The audited consolidated financial statements of the Company for the financial year ended May 31, 2024 (the “**Financial Statements**”), together with the auditor’s reports (the “**Auditor’s Report**”) thereon will be presented to Shareholders at the Meeting, but no vote thereon is required. The Financial Statements, Auditor’s Report and management’s discussion and analysis for the year ended May 31, 2024 are available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Appointment and Remuneration of Auditor**

Shareholders will be asked to approve the appointment of Davidson & Company LLP as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the Board.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing Davidson & Company LLP as the Company’s independent auditor for the ensuing year, and FOR authorizing the Board to fix the auditor’s pay.**

### **Fixing the Number of Directors**

The Board presently consists of three (3) directors and Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of fixing the number of directors for the ensuing year at three (3). Although Management is nominating three (3) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at three for the ensuing year.**

### **Election of Directors**

Each Director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his or her successor is duly elected, unless his or her office is earlier vacated in accordance with the Articles of the Company.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.**

### ***Information Concerning Nominees Submitted by Management***

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which s/he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which s/he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control direction is exercised as of the date of this Circular. Each of the nominees are currently directors of the Company.

| Name, Province and Country of ordinary residence, and positions held with the Company <sup>(1)</sup>   | Principal occupation and, IF NOT an elected Director, principal occupation during the past five years <sup>(1)</sup>                                                                                                                                                                                                                                                                                                       | Date(s) serving as a Director <sup>(2)</sup> | No. of shares beneficially owned or controlled <sup>(1)</sup> |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------|
| <b>Satvir Dhillon</b> <sup>(3)</sup><br>British Columbia, Canada<br><i>President, CEO and Director</i> | Mr. Dhillon is also a founding director of Torrent Gold Inc. (CSE: TGLD) since 2020; President & CEO of iMetals Resources Inc. (TSXV: IMR); Board Member of Lake Winn Resources Corp. (TSXV: LWR); President and CEO of Questcorp Mining Inc.                                                                                                                                                                              | 05/12/2018                                   | 733,221 <sup>(4)</sup><br>common shares                       |
| <b>Scott Davis</b> <sup>(3)</sup><br>British Columbia, Canada<br><i>CFO and Director</i>               | Mr. Davis is a partner of Cross Davis & Company LLP Chartered Professional Accountants, a firm focused on providing accounting and management services for publicly-listed companies. His experience includes CFO positions of several companies listed on the TSX Venture Exchange and his past experience consists of senior management positions, including four years at Appleby as an Assistant Financial Controller. | 03/10/2013                                   | 40,000<br>common shares                                       |
| <b>R. Timothy Henneberry, P.Geo</b> <sup>(3)</sup><br>British Columbia, Canada<br><i>Director</i>      | Mr. Henneberry, Chief Geologist for Mammoth Geological Ltd. since 1991, is a registered professional geoscientist with 42 years of domestic and international exploration and production experience. He currently serves or has served as a Director, Senior Officer and/or consultant to various CSE and TSX Venture Exchange listed companies since 2004.                                                                | 11/24/2020                                   | 17,500 <sup>(5)</sup><br>common shares                        |

- (1) The information as to ordinary residence, principal occupation and number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.
- (2) The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as he is elected annually by Shareholders at annual general meetings, unless his office is earlier vacated in accordance with the Articles of the Company.
- (3) Member of Audit Committee.
- (4) 670,721 common shares are held by Seahawk, a company controlled by Mr. Dhillon.
- (5) 5,000 common shares are held by Mammoth Geological Ltd. and 12,500 common shares are held by 0822676 BC Ltd; both companies are controlled by Mr. Henneberry.

The Company does not currently have an Executive Committee of its Board. Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Company is required to have an audit committee of its Board (the “**Audit Committee**”). As at the date of this Circular, the members of the Audit Committee are Scott Davis (Chair), Satvir Dhillon and R. Timothy Henneberry.

### **Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions**

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

- (a) Other than as set out below, to the best of knowledge of the Company, none of the proposed directors, including any personal holding company of a proposed director:
- (i) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (ii) was subject to an order that was issued while the proposed director was acting in the capacity as a

director, chief executive officer or chief financial officer of the company; or

- (iii) 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 a director, chief executive officer or chief financial officer of the company;
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Satvir Dhillon was a director of Lake Winn Resources Corp. ("**Lake Winn**") when, on July 7, 2021, the British Columbia and Ontario Securities Commissions issued a cease trade order pursuant to which Mr. Dhillon was prohibited from trading in securities of Lake Winn until such time as Lake Winn had filed certain delinquent financial statements. On September 13, 2022 the cease trade order was revoked following Lake Winn's filing of the required financial statements.

Mr. Dhillon was the Chief Executive Officer of E.S.I. Environmental Sensors ("**E.S.I.**") when on August 3, 2018, the BCSC issued a cease trade order against E.S.I. as a result of E.S.I. not having filed the annual audited financial statements and management discussion and analysis within the prescribed period of time. The cease trade order was subsequently revoked on October 12, 2018 in connection with the filing of the annual audited financial statements and management discussion and analysis.

Mr. Dhillon became a director and officer of UC Resources Ltd. ("**UC**") in November 2016 when UC was already the subject of a cease trade order issued on November 4, 2015 by the British Columbia Securities Commission (the "**BCSC**") as a result of not having filed the annual audited financial statements and management discussion and analysis within the prescribed period of time. The cease trade order was subsequently revoked on June 8, 2017 in connection with the filing of the annual audited financial statements and management discussion and analysis.

### **Approval of Compensation Plan**

At this year's meeting, the shareholders will be asked to approve adoption of the Compensation Plan, pursuant to which the Board may grant Options, RSUs and DSUs to purchase common shares of the Company to the Participants, on terms acceptable to the exchange on which the Company is listed.

The following is a summary of certain provisions of the Compensation Plan and is subject to, and qualified in its entirety, by the full text of the Compensation Plan attached hereto as Schedule "C".

- (a) the maximum number of Shares reserved for issuance pursuant to the grant of Options is equal to ten (10%) percent of the Outstanding Issue from time to time;

- (b) the Plan includes an “evergreen” provision such that Shares of the Company covered by Options which have been exercised or settled, as applicable, and Options which have expired or are forfeited, surrendered, cancelled or otherwise terminated or lapsed for any reason without having been exercised, will be available for subsequent grants under the Plan and the number of Options that may be granted under the Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash;
- (c) the maximum number of Shares reserved for issuance pursuant to all other Share Compensation Arrangements is limited to ten percent (10%) of the Outstanding Issue as of the record date, or 1,007,465 Shares;
- (d) unless disinterested shareholder approval has been obtained, the maximum number of common shares issuable to Participants who are Insiders, at any time, under the Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time;
- (e) unless disinterested shareholder approval has been obtained, the maximum number of Shares issued to Participants who are Insiders, within any one year period, under the Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time;
- (f) subject to the policies of the applicable Stock Exchange, any Award granted pursuant to the Plan, or securities issued under any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be included for the purposes of the limits mentioned above;
- (g) the TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSX Venture Exchange;
- (h) while the Shares are listed for trading on the TSX Venture Exchange, no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Person who dies or who ceases to be a Participant under the provisions of the Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction;
- (i) while the Shares are listed for trading on the TSX Venture Exchange, any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange and may not be accelerated without the prior approval of the TSX Venture Exchange;
- (j) no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Person who dies or who ceases to be a Participant under the provisions of the Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction;
- (k) eligibility to participate in the Plan does not confer upon any Participant any right to be granted Awards pursuant to the Plan;
- (l) each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant; and
- (m) except as otherwise provided in the Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under the Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## ***The Compensation Plan Resolution***

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the following ordinary resolution approving the adoption of the Compensation Plan (the “**Compensation Plan Resolution**”), substantially in the following form:

### **“BE IT RESOLVED THAT:**

- 1. the Compensation Plan, in substantially the form attached as Schedule “C” to the management information circular of the Company dated June 30, 2025, be and is hereby ratified, confirmed and approved which such additional provisions and amendments, provided that such are not inconsistent with the Policies of the Company, as the director of the Company may deem necessary or advisable;*
- 2. all issued and outstanding compensation securities of the Company previously granted shall be continued under and governed by the Compensation Plan; and*
- 3. the directors of the Company be authorized to perform all such other acts and things as may be necessary or desirable to effect the adoption of the Compensation Plan; and that the directors of the Company be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders.”*

**Management recommends that Shareholders approve the Compensation Plan Resolution.** If the Compensation Plan Resolution is approved by Shareholders, the Directors will have the authority, in their sole discretion, to implement or revoke the Compensation Plan Resolution and otherwise implement or abandon the Compensation Plan.

## **OTHER MATTERS**

As of the date of this Circular, management knows of no other matters to be acted upon at this Annual General and Special Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

## **AUDIT COMMITTEE DISCLOSURE**

The Charter of the Company’s audit committee and other information required to be disclosed by Form 52-110F2 is attached to the Circular as Schedule “A”.

## **CORPORATE GOVERNANCE DISCLOSURE**

The information required to be disclosed by National Instrument 58-101 Disclosure of Corporate Governance Practices is attached to this Circular as Schedule “B”.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Company’s Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company’s registered office located at 550-800 W. Pender Street, Vancouver, Vancouver, British Columbia, V6C 2V6.

## **DIRECTOR APPROVAL**

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

**DATED** this 27<sup>th</sup> day of June 2025.

**BY ORDER OF THE BOARD OF DIRECTORS  
IMETAL RESOURCES INC.**

*/s/ "Satvir Dhillon"*

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**Satvir Dhillon**  
**President, Chief Executive Officer and Director**

## **SCHEDULE "A"**

### **FORM 52-110F2**

#### **AUDIT COMMITTEE DISCLOSURE(VENTURE ISSUERS)**

##### **Item 1: The Audit Committee Charter**

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of iMetal Resources Inc. (the "**Company**"). The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

##### **Duties and Responsibilities**

###### *External Auditor*

- a. To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
- b. To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- c. To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- d. To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- e. To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- f. To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
  - (i) A member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports following Committee review and approval;
  - (ii) A former partner or employee of the external auditor may be made an officer of the

Company or any of its subsidiaries following Committee review and approval;

- (iii) The Chief Financial Officer (“**CFO**”) must approve all office hires from the external auditor; and
  - (iv) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- g. To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

#### *Financial Information and Reporting*

- (a) To review and approve the Company’s annual audited financial statements and interim statements with the Chief Executive Officer (“**CEO**”) and CFO and then recommend approval to the Board.
- (b) To review and discuss with management and the external auditor, as appropriate:
  - (i) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
  - (ii) Earnings guidance and other releases containing information taken from the Company’s financial statements prior to their release.
- (c) To review the quality and not just the acceptability of the Company’s financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- (d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company’s financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

#### *Oversight*

- (a) To review the internal audit staff functions, including:
  - (i) The purpose, authority and organizational reporting lines;
  - (ii) The annual audit plan, budget and staffing; and
  - (iii) The appointment and compensation of the controller, if any.
- (b) To review, with the CFO and others, as appropriate, the Company’s internal system of audit controls and the results of internal audits.
- (c) To review and monitor the Company’s major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- (d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- (e) In connection with its review, approval, and Board approval recommendation of the annual audited financial statements and interim financial statements, the Committee will also review and approve

the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

### **Membership**

- (a) The Committee shall consist solely of three or more members of the Board, all of which the Board has determined has no material relationship with the Company and is otherwise "unrelated" or "independent" as required under applicable securities rules or applicable stock exchange rules.
- (b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (d) All members of the Committee must be "financially literate" (i.e. have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

### **Procedures**

- (a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "**Chair**"). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (b) The Chair will appoint a secretary (the "**Secretary**") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum and provided that a majority of the members must be "independent" or "unrelated".
- (d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- (e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- (f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
- (g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.

- (h) The Committee has the authority to communicate directly with the internal and external auditors.

### **Reports**

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

### **Item 2: Composition of the Audit Committee**

National Instrument 52-110 Audit Committees, (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s Board, reasonably interfere with the exercise of the member’s independent judgment.

NI 52-110 provides that an individual is “financially literate” if he or she has 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 reasonably be expected to be raised by the Company’s financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The current members of the Audit Committee are Satvir Dhillon, Scott Davis and R. Timmothy Henneberry of which Mr. Dhillon is not independent and all of whom are financially literate as defined by NI 52-110.

### **Item 3: Relevant Education and Experience**

The Instrument provides that an individual is “financially literate” if he or she has 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 reasonably be expected to be raised by the Company’s financial statements.

All members of the Audit Committee are considered financially literate and have been involved in enterprises which publicly report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

### **Item 4: Audit Committee Oversight**

At no time during the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP, Chartered Professional Accountants) not adopted by the Board.

### **Item 5: Reliance on Certain Exemptions**

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (De Minimis Non-audit Services), subsection 6.1.1(4) (Circumstance

Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), and any exemption, in whole or in part, in Part 8 (Exemptions).

#### **Item 6: Pre-Approval Policies and Procedures**

The Audit Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

#### **Item 7: External Auditor Service Fees (By Category)**

The following table sets out the aggregate fees charged to the Company by the external auditor in each of the last two financial years for the category of fees described.

|                                   | <b>2024</b>     | <b>2023</b>     |
|-----------------------------------|-----------------|-----------------|
| Audit Fees <sup>(1)</sup>         | \$31,378        | \$31,000        |
| Audit-Related Fees <sup>(2)</sup> | Nil             | Nil             |
| Tax Fees <sup>(3)</sup>           | \$2,500         | \$2,500         |
| All Other Fees <sup>(4)</sup>     | Nil             | Nil             |
| <b>Total Fees:</b>                | <b>\$33,878</b> | <b>\$33,500</b> |

1. "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
2. "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax fees" include the aggregate fees billed in each of the last three fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. "All other fees" include the aggregate fees billed in each of the last three fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

#### **Item 8: Exemption**

During the two most recently completed financial years, the Company relied on the exemption set out in section 6.1 of NI52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5(Reporting Obligations).

**SCHEDULE “B”**

**FORM 58-101F2**

**CORPORATE GOVERNANCE DISCLOSURE**

**(VENTURE ISSUERS)**

The board of directors (the “**Board**”) of iMetal Resources Inc. (the “**Company**”) believes that good corporate governance improves corporate performance and benefits all shareholders. Regulator authorities have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), which prescribes certain disclosure by the Company of its corporate governance practices.

The disclosure is presented below:

**Item 1: Board of Directors**

***Supervision Over Management***

There is no specific written mandate of the Board, other than the corporate standard of care set out in the governing corporate legislation of the Company, i.e., the Board has overall responsibility for the management, or supervision of the management, of the business and affairs of the Company. The Board’s primary tasks are to establish the policies, courses of action and goals of the Company and to monitor management’s strategies and performance for realizing them.

All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Company’s business are subject to approval by the full Board. The Board of Directors does not currently have in place programs for succession planning and training of directors and management. As the growth of the Company continues, the Board will consider implementing such programs. In order to carry out the foregoing responsibilities the Board meets on a quarterly basis and as required by circumstances.

***Composition of the Board***

The Board is comprised of three (3) directors, of whom R. Timmothy Henneberry and Scott Davis are considered independent for the purposes of NI 58-101. As a result of Satvir Dhillon’s position as President and Chief Executive Officer, he is not considered independent for the purposes of NI 58-101.

**Item 2: Directorships**

The current directors of the Company are currently directors of the following other reporting issuers:

| <b>Name of Director</b> | <b>Name of Reporting Issuer</b>                                                                                                                                               |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Satvir Dhillon          | Torrent Gold Inc. (formerly Raindrop Ventures Inc.)<br>Lake Winn Resources Corp. (formerly Equitorial Exploration Corp.)<br>Questcorp Mining Inc.<br>Bayridge Resources Corp. |
| Scott Davis             | Freeport Resources Inc.<br>Glacier Lake Resources Inc.<br>Aisix Solutions Inc.<br>Patterson Metals Corp.<br>US Methane Credit Corp.<br>Polar Resources Corporation            |

| Name of Director       | Name of Reporting Issuer                                                                                                                        |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | Questcorp Mining Inc.                                                                                                                           |
| R. Timmothy Henneberry | Grit Metals Corp.<br>Silver Sands Resources Corp.<br>J4 Ventures Inc.<br>Questcorp Mining Inc.<br>Tana Resources Corp.<br>Treviso Capital Corp. |

### **Item 3: Orientation and Continuing Education**

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

### **Item 4: Ethical Business Conduct**

The Board has not adopted a formal code of ethics. In the Board's view, the fiduciary duties placed on individual directors by corporate legislation and the common law, and the restrictions placed by corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company's professional advisors with respect to any issues related to ethical business conduct.

### **Item 5: Nomination of Directors**

The identification of potential candidates for nomination as directors of the Company is primarily done by the CEO, but all directors are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

### **Item 6: Compensation**

The compensation of directors and the CEO is determined by the Board as a whole. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. See "Statement of Executive Compensation" for additional information.

**Item 7: Other Board Committees**

The Company does not have any standing committees other than the Audit Committee.

**Item 8: Assessments**

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.

**SCHEDULE “C”**

**IMETAL RESOURCES INC.**

**OMNIBUS INCENTIVE PLAN  
(the “Compensation Plan”)**

## OMNIBUS INCENTIVE PLAN

iMetal Resources Inc. (the “**Company**”) hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or Consultants of the Company or any of its Subsidiaries.

### ARTICLE 1 INTERPRETATION

#### Section 1.1 Definitions.

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

“**Account**” means an account maintained for each Participant on the books of the Company which will be credited with Awards in accordance with the terms of this Plan;

“**Affiliate**” has the meaning ascribed thereto in Section 1.2 of Policy 1.1 of the TSX Venture Exchange;

“**Annual Base Compensation**” means an annual compensation amount payable to directors and executive officers, as established from time to time by the Board;

“**Award**” means any of an Option, DSU, or RSU granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means an interval of time (i) when any trading guidelines of the Company, as amended from time to time, restrict Participants from trading in any securities of the Company because they may be in possession of confidential information; or (ii) when the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of confidential information;

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

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Vancouver, British Columbia for the transaction of banking business;

“**Cash Equivalent**” means the amount of money equal to the Market Value multiplied by the number of vested RSUs or DSUs, as applicable, in the Participant’s Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the Filing Date, as applicable;

“**Cashless Exercise Right**” has the meaning ascribed thereto in Section 3.6(3) hereof;

“**Cause**” has the meaning ascribed thereto in Section 6.2(1) hereof;

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

- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires for the first time the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any

such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Company under any of the Company's equity incentive plans;

- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (iii) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its wholly-owned Subsidiaries;
- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);
- (v) individuals who, on the effective date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent;

**"Company"** means iMetal Resources Inc., a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

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

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

**“Consulting Agreement”** means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and such Participant;

**“Dividend Equivalent”** means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant’s Account;

**“DSU”** or **“Deferred Share Unit”** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in Article 5 and subject to the terms and conditions of this Plan;

**“DSU Agreement”** means a document evidencing the grant of DSUs and the terms and conditions thereof;

**“DSU Settlement Amount”** means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

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

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

**“Filing Date”** has the meaning set out in Section 5.5(1) or Section 5.5(3), as applicable;

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

**“Incentive Stock Option”** or **“ISO”** means an Option that is granted to a U.S. Participant, as described in Section 3.8;

**“Insider”** has the meaning set out in the applicable rules and policies of the Stock Exchange;

**“Market Value”** means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on a Stock Exchange, the volume weighted average trading price of the Shares on such Stock Exchange for the five trading days immediately preceding the relevant time as it relates to an Award, provided that if the Shares are listed on the TSX Venture Exchange, at no time shall the market value of the Shares be less

than the Discounted Market Price (within the meaning of the policies of the TSX Venture Exchange); or (ii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

**“Option”** means an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof, and includes an ISO;

**“Option Agreement”** means a document evidencing the grant of Options and the terms and conditions thereof;

**“Option Price”** has the meaning ascribed thereto in Section 3.2 hereof;

**“Option Term”** has the meaning ascribed thereto in Section 3.4 hereof;

**“Outstanding Issue”** means the number of Shares that are issued and outstanding, on a non-diluted basis;

**“Participants”** means any director, executive officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition shall be limited to directors and executive officers of the Company or any of its Subsidiaries;

**“Performance Criteria”** means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

**“Performance Period”** means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

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

**“Plan”** means this Omnibus Incentive Plan, including any amendments or supplements hereto made after the effective date hereof;

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

**“RSU”** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**“RSU Agreement”** means a document evidencing the grant of RSUs and the terms and conditions thereof;

**“RSU Settlement Date”** has the meaning determined in Section 4.5(1);

**“RSU Vesting Determination Date”** has the meaning described thereto in Section 4.4 hereof;

**“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, Insiders, or Consultants of the Company or a Subsidiary

provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not “Share Compensation Arrangements” for the purposes of this Plan;

“**Shares**” means the common shares in the share capital of the Company;

“**Section 409A**” means Section 409A of the U.S. Tax Code;

“**Stock Exchange**” means the stock exchange on which the majority of the trading volume and value of the Shares occurs, at the applicable time;

“**Subsidiary**” means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

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

“**Termination**” means that a Person has ceased to be a Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

“**Termination Date**” means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries and (ii) in the event of the termination of the Participant’s employment, or position as director, executive or officer of the Company or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, without regard to any period of notice, pay in lieu of notice, or severance that may follow the Termination Date pursuant to the terms of the Participant’s employment or services agreement (if any), the applicable employment standards legislation or the common law (if applicable), and regardless of whether the Termination was lawful or unlawful, except as may otherwise be required to meet minimum standards prescribed by the applicable standards legislation;

“**Termination of Service**” means that a Person has ceased to be a Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or has ceased providing ongoing services as a Consultant to the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

“**TSXV Share Limits**” means: (i) the maximum number of Shares issuable to any one Participant under Awards in a 12-month period shall not exceed 5% of the Outstanding Issue (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of Shares issuable to any one Consultant in a 12-month period shall not exceed 2% of the Outstanding Issue; and (iii) Investor Relations Services Providers (within the meaning of the policies of the TSX Venture Exchange) may only be granted Options under an Award and the maximum number of Shares issuable to all Investor Relations Services Providers under any Options awarded shall not exceed 2% of the Outstanding Issue in any 12-month period, in each case measured as of the date of grant of an Award;

**“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

**“U.S. Participant”** means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;

**“U.S. Tax Code”** means the United States Internal Revenue Code of 1986, as amended; and

**“Vested Awards”** has the meaning described thereto in Section 6.2(5) hereof.

## **Section 1.2 Interpretation.**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (5) Unless otherwise specified in the Participant’s Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

### **Section 2.1 Purpose of the Plan.**

The purpose of the Plan is to permit the Company to grant Awards to Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

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

## **Section 2.2 Implementation and Administration of the Plan.**

- (1) The Plan shall be administered and interpreted by the board of directors of the Company (the "**Board**") or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 7 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital

of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

### **Section 2.3 Participation in this Plan.**

- (1) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.
- (3) The Company shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.
- (4) The Board may also require that any Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws.
- (5) In connection with an Award to be granted to any Participant, it shall be the responsibility of such person and the Company to confirm that such person is a bona fide Participant for the purposes of participation under the Plan.

### **Section 2.4 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to Article 7 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) The maximum number of Shares issuable at any time pursuant to outstanding Awards under this Plan shall be equal to the following:

- a) Ten percent (10%) of the Outstanding Issue pursuant to Options, as measured as at the date of any grant.
  - b) 1,007,465 Shares pursuant to all such Share Compensation Arrangements, other than in connection with the grant of Options under the Plan.
- (3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above- noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (4) The Plan includes an “evergreen” provision such that Shares of the Company covered by Options which have been exercised or settled, as applicable, and Options which have expired or are forfeited, surrendered, cancelled or otherwise terminated or lapsed for any reason without having been exercised, will be available for subsequent grants under the Plan and the number of Options that may be granted under the Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

**Section 2.5 Limits with Respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.**

- (1) The maximum number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement shall not exceed the limits set out in Section 2.4(2).
- (2) Unless disinterested shareholder approval has been obtained, the maximum number of Shares issuable to Participants who are Insiders, at any time, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (3) Unless disinterested shareholder approval has been obtained, the maximum number of Shares issued to Participants who are Insiders, within any one year period, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (4) Subject to the policies of the applicable Stock Exchange, any Award granted pursuant to the Plan, or securities issued under any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be included for the purposes of the limits set out in Section 2.5(2) and Section 2.5(3).
- (5) The TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSX Venture Exchange.

**Section 2.6 Granting of Awards.**

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award may not be

accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

## **Section 2.7 TSX Venture Exchange Vesting Restrictions**

While the Shares are listed for trading on the TSX Venture Exchange:

- (a) no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Person who dies or who ceases to be a Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and
- (b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange and may not be accelerated without the prior approval of the TSX Venture Exchange.

## **ARTICLE 3 OPTIONS**

### **Section 3.1 Nature of Options.**

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

### **Section 3.2 Option Awards.**

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions (including Performance Criteria, if applicable) and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of a Stock Exchange.

### **Section 3.3 Option Price.**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted but shall not be less than the Market Value of such Shares at the time of the grant.

### **Section 3.4 Option Term.**

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten years from the date the Option is granted (“**Option Term**”).
- (2) Should the expiration date for an Option fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date

which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan.

### **Section 3.5 Exercise of Options.**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with any insider trading policies implemented by the Company.

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Corporate Secretary of the Company (or the individual that the Corporate Secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 8.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:
  - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.
- (3) Subject to the rules and policies of the Stock Exchange, except in the case of Investor Relations Services Providers (within the meaning of the policies of the TSX Venture Exchange), the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to terminate such Option in whole or in part by notice in writing to the Company and in

lieu of receiving Shares pursuant to the exercise of the Option, receive, without payment of any cash other than pursuant to Section 8.2, that number of Shares, disregarding fractions, which when multiplied by the VWAP (within the meaning of the policies of the TSX Venture Exchange) on the day immediately prior to the exercise of the Cashless Exercise Right, have a total value equal to the product of that number of Shares subject to the Option multiplied by the difference between the VWAP (within the meaning of the policies of the TSX Venture Exchange) on the day immediately prior to the exercise of the Cashless Exercise Right and the Option Price.

- (4) In the event the Company determines to accept the Participant's request pursuant to a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the Tax Act.

### **Section 3.7 Option Agreements.**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

### **Section 3.8 Incentive Stock Options.**

- (1) ISOs are available only for Participants who are employees of the Company, or a "parent corporation" or "subsidiary corporation" (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this Section 3.8(1). A Participant's employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing in this Section 3.8(1) will be deemed to extend the original expiry date of an Option.
- (2) A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an Option that is an ISO unless the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and the Option is not exercisable after the expiration of five (5) years from the date of grant.
- (3) To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Option Agreement.

## **ARTICLE 4 RESTRICTED SHARE UNITS**

### **Section 4.1 Nature of RSUs.**

A “restricted share unit” (or “RSU”) is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. Unless otherwise determined by the Board in its discretion, the Award of a RSU is considered a bonus for services rendered in the calendar year in which the Award is made.

### **Section 4.2 RSU Awards.**

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such RSUs, (provided, however, that no such Restriction Period shall exceed the 3 years referenced in Section 4.3) and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restriction Period. For greater certainty, RSUs that are subject to Performance Criteria may not become fully vested by the last day of the Restriction Period.

### **Section 4.3 Restriction Period.**

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than the 31<sup>st</sup> of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred (“**Restriction Period**”). All unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.4) and, in any event: (i) all unvested RSUs shall be cancelled no later than the last day of the Restriction Period.

### **Section 4.4 RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the “**RSU Vesting Determination Date**”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than; (i) the 15<sup>th</sup> of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred. Notwithstanding the foregoing, for any U.S. Participant, the RSU

Vesting Determination Date shall occur no later than March 15 of the calendar year following the end of the Performance Period.

#### **Section 4.5 Settlement of RSUs.**

- (1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten Business Days following their RSU Vesting Determination Date and no later than the end of the Restriction Period (the “**RSU Settlement Date**”).
- (2) Settlement of RSUs shall take place promptly following the RSU Settlement Date and no later than the end of the Restriction Period, and shall take the form determined by the Board, in its sole discretion. Settlement of RSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of RSUs for Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board):
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) Notwithstanding the foregoing, for any U.S. Participant, the RSU Settlement Date and delivery of Shares or Cash Equivalent, if any, shall each occur no later than March 15 of the calendar year following the end of the Performance Period.

#### **Section 4.6 Determination of Amounts.**

- (1) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant’s Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the

whole number of vested RSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 4.7 RSU Agreements.**

RSUs shall be evidenced by a RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

#### **Section 4.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date, provided that any such Dividend Equivalents must be payable in cash to the extent the issuance of Shares would exceed the TSXV Share Limits or any other limitations prescribed by this Plan.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

### **ARTICLE 5 DEFERRED SHARE UNITS**

#### **Section 5.1 Nature of DSUs.**

A Deferred Share Unit is an Award attributable to a Participant's duties as a director or executive officer of the Company or a Subsidiary and that, upon settlement, entitles the recipient Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

#### **Section 5.2 DSU Awards.**

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Participants who may receive DSU Awards under the Plan, and (ii) fix the number of DSU Awards to be granted to each Participant and the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof.

#### **Section 5.3 Payment of Annual Base Compensation.**

- (1) Each Participant may elect to receive in DSUs any portion or all of their Annual Base Compensation by completing and delivering a written election to the Company on or before the 15<sup>th</sup> day of November of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.

- (2) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than thirty days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.
- (3) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "**Grant Date**").
- (4) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Value of the Shares. Fractional Deferred Share Units will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

#### **Section 5.4 Additional Deferred Share Units.**

In addition to DSUs granted pursuant to Section 5.3, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services they render to the Company. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

#### **Section 5.5 Settlement of DSUs.**

- (1) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before the 15<sup>th</sup> day of December of the first calendar year commencing after the date of the Participant's Termination of Service, and provided that all such entitlements will be settled no later than twelve months following the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that 15<sup>th</sup> day of December, the Participant will be deemed to have filed the redemption notice on 15<sup>th</sup> day of December (the date of the filing or deemed filing of the redemption notice, the "**Filing Date**"). In all cases for each U.S. Participant, the U.S. Participant will be deemed to have filed the redemption notice on the date of their Termination of Service.
- (2) The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the end of the first calendar year commencing after the Participant's Termination of Service. In all cases for each U.S. Participant, the Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the 1<sup>st</sup> day of March of the calendar year following Termination of Service.
- (3) In the event of the death of a Participant, the Company will, subject to Section 8.2, make payment of the DSU Settlement Amount within two months of the Participant's death to

or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the DSU Settlement Amount, the Filing Date shall be the date of the Participant's death. Such DSUs shall only be eligible for payment within 12 months after the Person ceases to be a Participant.

- (4) Subject to the terms of the DSU Agreement, including the satisfaction or, at the discretion of the Board, and pre-approval of the TSX Venture Exchange, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing Date, and take the form as determined by the Board, in its sole discretion. Settlement of DSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of DSUs for Shares:
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

#### **Section 5.6 Determination of DSU Settlement Amount.**

- (1) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Value on the Filing Date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 5.7 DSU Agreements.**

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

## **Section 5.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date, provided that any such Dividend Equivalents must be payable in cash to the extent the issuance of Shares would exceed the TSXV Share Limits or any other limitations prescribed by this Plan.

## **ARTICLE 6 GENERAL CONDITIONS**

### **Section 6.1 General Conditions Applicable to Awards.**

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

- (1) **Vesting Period.** No Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Person who dies or who ceases to be a Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction. Each Award granted hereunder shall further vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable, subject to TSX Venture Exchange approval, notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Company or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Participant does not confer upon any Participant the right to receive nor preclude such Participant from receiving any additional Awards at any time. The extent to which any Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect a Participant's relationship or employment with the Company or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.8 and Section 5.8, no

adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.

- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferrable Awards.** Each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## **Section 6.2 General Conditions Applicable to Options.**

Each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Person ceasing to be a Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. "**Cause**" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination.
- (2) **Termination not for Cause.** Upon a Person ceasing to be a Participant as a result of his or her employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion (subject to compliance with the policies of the exchange on which the Company trades), such Option shall only be exercisable within the earlier of 90 days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire. Notwithstanding the above, such Option shall only be exercisable within 12 months after the Person ceases to be a Participant.
- (3) **Resignation.** Upon a Person ceasing to be a Participant as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) unless otherwise determined by the Board, in its sole discretion (subject to compliance with the policies of the exchange on which the Company trades), each vested Option granted to such Participant will cease to be exercisable on the earlier of the 90 days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement,

after which the Option will expire. Notwithstanding the above, such Option shall only be exercisable within 12 months after the Person ceases to be a Participant.

- (4) **Permanent Disability/Retirement.** Upon a Person ceasing to be a Participant by reason of retirement (in accordance with any retirement policy implemented by the Company from time to time) or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the 90 days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (5) **Death.** Upon a Person ceasing to be a Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the “**Vested Awards**”) on the date of such Participant’s death. Such Vested Awards shall only be exercisable within 12 months after the Participant’s death or prior to the expiration of the original term of the Options whichever occurs earlier.

### **Section 6.3 General Conditions Applicable to RSUs.**

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Person ceasing to be a Participant for Cause or as a result of his or her resignation from the Company or a Subsidiary, the Participant’s participation in the Plan shall be terminated immediately, all RSUs credited to such Participant’s Account that have not vested shall be forfeited and cancelled, and the Participant’s rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant’s unvested RSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.
- (2) **Death or Termination.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Person ceasing to be a Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) his or her employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant’s Account as of such date relating to a Restriction Period in progress shall be terminated, and the Participant shall not receive any payment in lieu of cancelled RSUs.
- (3) **General.** For greater certainty, where a Participant’s employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment. Such vested RSUs shall only be exercisable within 12 months after the Person ceases to be a Participant.

## **ARTICLE 7 ADJUSTMENTS AND AMENDMENTS**

### **Section 7.1 Adjustment to Shares.**

In the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (iv) any distribution to all holders of Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Company or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number or kind of Shares reserved for issuance pursuant to the Plan.

### **Section 7.2 Change of Control.**

- (1) Upon the completion of a transaction constituting a Change of Control, no Award issued pursuant to the Plan, other than Options, may vest before the date that is one year following the date it is granted or issued, provided that this requirement may be accelerated for a Person who dies or who ceases to be a Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction, provided that any acceleration of the vesting of Options issued to any Investor Relations Service Provider may not be accelerated without prior approval of the TSX Venture Exchange. Any Options that become exercisable pursuant to this Section 7.2(1) shall remain open for exercise in accordance with the terms set out in the Award agreement.
- (2) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 7.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control.
- (3) Notwithstanding any other provision of this Plan, this Section 7.2 shall not apply with respect to any Awards held by a Participant where such Awards are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

- (4) Notwithstanding any other provision of this Plan, for all U.S. Participants, “Change of Control” as defined herein shall be as “Change in Control” is defined in 409A of the U.S. Tax Code.

### **Section 7.3 Amendment or Discontinuance of the Plan.**

- (1) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (2) The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company amend any provision of this Plan or any Award, subject to any regulatory approval or prior TSX Venture Exchange acceptance at the time of such amendment, including, without limitation:
- (i) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body; and
  - (ii) any amendment of a “housekeeping” nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan.
- (3) Notwithstanding Section 7.3(2):
- (a) no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) the Board shall be required to obtain disinterested shareholder approval and prior TSX Venture Exchange acceptance to make the following amendments:
    - (i) any increase to the maximum number of Shares issuable under the Plan (either as a fixed number or fixed percentage of the Outstanding Issue), except in the event of an adjustment pursuant to Article 7;
    - (ii) any amendment that extends the term of Options beyond the original expiry date that benefits an Insider of the Company;
    - (iii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period, that benefits an Insider of the Company;
    - (iv) except in the case of an adjustment pursuant to Article 7, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
    - (v) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation

Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7;

- (vi) any amendment to the definition of a Participant under the Plan; and
  - (vii) any amendment to the amendment provisions of the Plan.
- (4) Subject to the Shares being listed on the TSX Venture Exchange, any shareholder approval required under Section 7.3(3)(b) shall be disinterested shareholder approval (within the meaning of the policies of the TSX Venture Exchange).
- (5) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

#### **Section 7.4 TSX Venture Exchange Approval of Adjustments**

While the Shares are listed for trading on the TSX Venture Exchange, any adjustment, other than in connection with a subdivision of the Shares into a greater number of Shares pursuant to Section 7.1(a) or a consolidation of Shares into a lesser number of Shares pursuant to Section 7.1(b), to any Award pursuant to the provisions hereof is subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

### **ARTICLE 8 MISCELLANEOUS**

#### **Section 8.1 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan, including for the purposes of making secondary market purchases of Shares for delivery on settlement of an Award, if applicable, and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

#### **Section 8.2 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines, subject to Policy 4.4 of the TSX Venture Exchange. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.

- (2) Notwithstanding Section 8.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

### **Section 8.3 US Tax Compliance.**

- (1) DSU Awards granted to U.S. Participants are intended to comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A. Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.
- (2) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a "separation from service," as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.
- (3) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant's separation from service, and at the time of the separation from service the Participant is subject to the U.S. Tax Code and is considered a "specified employee" (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month period, to the extent necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service.

### **Section 8.4 Clawback.**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other

person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 8.4.

#### **Section 8.5 Securities Law Compliance.**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

- (3) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the

qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.

- (4) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

#### **Section 8.6 Reorganization of the Company.**

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

#### **Section 8.7 Quotation of Shares.**

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

#### **Section 8.8 No Fractional Shares.**

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of such Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive, as the case may be, the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

#### **Section 8.9 Governing Laws.**

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

#### **Section 8.10 Severability.**

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

### **Section 8.11 Effective Date of the Plan**

The Plan was adopted by the Board on [●] and approved by the shareholders of the Company on [●] and is effective as of that date.