COPPER FOX METALS INC.

COPPER FOX METALS INC.
2009 OMNIBUS SHARE COMPENSATION PLAN

(as approved by the Board of Directors on October 13, 2009 and as approved by the Shareholders at the November 12, 2009 Annual and Special General Meeting)

COPPER FOX METALS INC.
(the "Company")

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1.0 PURPOSE OF THE PLAN

1.1 Purpose of this Plan. The purpose of this Plan is to promote the interests and long-term success of the Company by:

(a) furnishing certain directors, officers, employees or Consultants of the Company or its Affiliates, or other Persons as the Compensation Committee may determine, with greater incentive to further develop and promote the business and financial success of the Company;

(b) furthering the identity of interests of Persons to whom Awards may be granted with those of the shareholders of the Company generally through a proprietary ownership interest in the Company; and

(c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants.

The Company believes that these purposes may best be effected by granting Awards and affording such Persons an opportunity to acquire a proprietary interest in the Company.

2.0 DEFINITIONS AND INTERPRETATION

2.1 Definitions. In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

(a) "**Affiliate**" means an affiliate as defined in the Securities Act, and does not act at arm's length with the Company for the purposes of the *Income Tax Act (*Canada);

(b) **"Associate"** means an associate as defined in the Securities Act;

(c) **"Award"** means any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Award or Other Stock-Based Award granted under the Plan;

(d) **"Award Agreement"** means (i) in respect of an Option, an Option Agreement; and (ii) in respect of any other Award, the written agreement, contract or other instrument or document evidencing any Award granted under the Plan. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Compensation Committee;

(e) **“Blackout Period”** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or otherwise prohibited by law from trading any securities of the Company;

(f) **“Board of Directors”** means the board of directors of the Company as constituted from time to time;

(g) “**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in Vancouver, British Columbia are authorized or required by law to close;

(h) “**Cause**” in respect of any Participant means:

(i) if “Cause” is defined in an employment agreement between such Participant and the Company, the meaning of “Cause” as provided for in such employment agreement; and

(ii) if Cause is not so defined, a circumstance that would entitle the Company to terminate the employment or services of such Participant at law without notice or compensation as a result of such termination;

(i) **“Change in Control”** means:

(i) any merger or amalgamation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction and the composition of the Board of Directors following such transaction is such that the directors of the Company prior to the transaction constitute less than fifty percent (50%) of the number of directors comprising the Board of Directors following the transaction;

(ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(gg)(iii) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities;

(iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;

(iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company;

(v) a complete liquidation or dissolution of the Company; or

(vi) any transaction or series of transactions involving the Company or any of its Affiliates that the Board of Directors in its discretion deems to be a Change in Control;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

(j) **"Common Shares"** means the common shares in the capital of the Company as constituted on the Effective Date, provided that if the rights of any Participant are subsequently adjusted pursuant to Article 22.0 hereof, "Common Shares" thereafter means the shares or other securities or property which such Participant is entitled to purchase after giving effect to such adjustment;

(k) **"Company"** means Copper Fox Metals Inc. and includes any successor company thereto;

(l) **"Compensation Committee"** has the meaning ascribed thereto by Section 4.1;

(m) **"Consultant"** means any individual consultant, company, partnership of which the individual is an employee, shareholder or partner, other than an employee or a director, that is:

(i) engaged, to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any of its Affiliates on a full time or part time basis, or otherwise;

(ii) provides the services under a written contract between the Company or any of its Affiliates and the individual, company, partnership or other Person;

(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 any of its Affiliates; and

(iv) has a relationship with the Company or any of its Affiliates that enables the individual to be knowledgeable about the business and affairs of the Company;

(n) **"Effective Date"** has the meaning ascribed thereto by Section 3.1 of this Plan;

(o) **“Eligible Person”** means a director, officer, employee or Consultant of the Company or any of its Affiliates;

(p) **“Employee”** means:

(i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

(q) **“Exercise Price”** means the price per Common Share at which a Participant may purchase Common Shares pursuant to an Option, provided that if such price is adjusted pursuant to Article 22.0, “Exercise Price” thereafter means the price per Common Share at which such Participant may purchase Common Shares pursuant to such Option after giving effect to such adjustment;

(r) **“Expiry Date”** has the meaning ascribed thereto by Section 8.3;

(s) **“Insider”** means:

(i) a director or senior officer of the Company;

(ii) a director or senior officer of a company that is an Insider or subsidiary of the Company;

(iii) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the company; or

(iv) the Company itself if it holds any of its own securities;

(t) “**Investor Relations Activities**” means any activities, by or on behalf of the Company or shareholder of the Company, that promotes or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

(i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company

(A) to promote the sale of products or services of the Company, or

(B) to raise public awareness of the Company,

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;

(ii) activities or communications necessary to comply with the requirements of

(A) applicable securities laws,

(B) TSX-V requirements or other by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the company;

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if

(A) the communication is only through the newspaper, magazine or publication, and

(B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(iv) activities or communications that may be otherwise specified by the TSX-V;

(u) **"Legal Representative"** has the meaning ascribed thereto by Section 8.9;

(v) **"Merger and Acquisition Transaction"** means:

(i) any merger;

(ii) any acquisition;

(iii) any amalgamation;

(iv) any offer for shares of the Company which if successful would entitle the offeror to acquire all of the voting securities of the Company; or

(v) any arrangement or other scheme of reorganization;

that results in a Change in Control;

(w) **“Options”** means stock options granted hereunder to purchase authorized but unissued Common Shares from the Company pursuant to the terms and conditions hereof and as evidenced by an Option Agreement and “Option” means any one of them;

(x) **“Option Agreement”** means an agreement evidencing an Option, entered into by and between the Company and an Eligible Person;

(y) **“Other Stock-Based Award”** means any right granted under Article 13.0;

(z) **“Outstanding Common Shares”** at the time of any issuance of Common Shares or grant of Options means the number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;

(aa) **“Participant”** means an Eligible Person to whom an Award has been granted under the Plan;

(bb) **“Performance Award”** means any right granted under Article 12.0;

(cc) **“Permitted Assign”** means:

(i) a trustee, custodian or administrator acting on behalf of, or for the benefit of, a Participant;

(ii) a holding entity of a Participant;

(iii) a Registered Retirement Savings Plan (“**RRSP**) or Registered Retirement Income Fund (“**RRIF**”) of a Participant;

(iv) a spouse of a Participant;

(v) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the spouse of a Participant;

(vi) a holding entity of the spouse of a Participant; or

(vii) an RRSP or a RRIF of the spouse of a Participant;

(dd) “**Person**” means and includes any individual, corporation, limited partnership, general partnership, joint stock company, limited liability corporation, joint venture, association, company, trust, bank, trust company, pension fund, business trust or other organization, whether or not a legal entity;

(ee) “**Plan**” means the Copper Fox Inc. 2009 Omnibus Share Compensation Plan, as the same may from time to time be supplemented or amended and in effect;

(ff) “**Prior Plan**” means the Copper Fox Metals Inc. Amended and Restated Stock Option Plan, as approved by the shareholders of the Company at the annual and special meeting of shareholders of the Company on May 8, 2008;

(gg) **“Related Group of Persons”** means:

(i) Persons and any one or more of their respective Associates and Affiliates; and

(ii) any two or more Persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:

(A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company; or

(B) the exercise of voting rights attached to the securities of the Company beneficially owned by such Persons, or over which such Persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company; and

(iii) despite the above Section 2.1(gg)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons;

(hh) **“Restricted Stock”** means any Common Share granted under Article 10.0;

(ii) **“Restricted Stock Unit”** means any unit granted under Article 11.0;

(jj) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended from time to time;

(kk) **“Stock Appreciation Right”** means any right granted under Article 9.0;

(ll) “**Stock Exchange**” means such stock exchange or other organized market on which the Common Shares are listed or posted for trading;

(mm) **“TSX-V”** means the TSX Venture Exchange;

(nn) **“TSX”** means the Toronto Stock Exchange;

(oo) **"U.S. Internal Revenue Code"** means the United States Internal Revenue Code of 1986, as amended from time to time;

(pp) **"U.S. Nonqualified Stock Option"** means an Option to purchase Common Shares other than a U.S. Qualified Incentive Stock Option;

(qq) **"U.S. Optionee"** means a Participant who is a citizen or a resident of the United States (including its territories, possessions and all areas subject to the jurisdiction);

(rr) **"U.S. Qualified Incentive Stock Option"** means an Option to purchase Common Shares with the intention that it qualify as an "incentive stock option" as that term is defined in Section 422 of the U.S. Internal Revenue Code, such intention being evidenced by the resolutions of the Compensation Committee at the time of grant;

(ss) **"U.S. Securities Exchange Act"** means the U.S. Securities Exchange Act of 1934, as amended from time to time; and

(tt) "**Voting Shares**" means a security of the Company that:

(i) is not a debt security; and

(ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

2.2 Interpretation. In this Plan, except as otherwise expressly provided:

(a) "this Plan" means this agreement, as amended and in effect from time to time;

(b) any reference in this Plan to a designated "Article", "section" or other subdivision is a reference to the designated Article, section or other subdivision of this Plan;

(c) the recitals hereto are incorporated into and form part of this Plan;

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Plan as a whole and not to any particular Article, section or other subdivision of this Plan;

(e) the headings are for convenience only and do not form a part of this Plan and are not intended to interpret, define or limit the scope, extent or intent of this Plan;

(f) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include any other gender, the word "or" is not exclusive and the word "including" is not limiting whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto;

(g) unless otherwise provided, all amounts are stated and are to be paid in Canadian dollars; a reference to US$ is to an amount stated in and to be paid in United States dollars; and

(h) where the time for doing an act falls or expires on a day which is not a Business Day, the time for doing such act is extended to the next Business Day.

3.0 EFFECTIVE DATE OF PLAN

3.1 Effective Date of this Plan. The effective date (the "**Effective Date**") of this Plan is November 12, 2009, the date on which this Plan was approved by the shareholders of the Company.

3.2 Termination Date. The Plan will terminate on the tenth anniversary of the Effective Date.

4.0 ADMINISTRATION OF PLAN

4.1 Administration of Plan. The Board of Directors may at any time appoint a committee of the Board of Directors (the "**Compensation Committee**") to, among other things, interpret, administer and implement this Plan on behalf of the Board of Directors in accordance with such terms and conditions as the Board of Directors may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board of Directors, this Plan will be administered by the Board of Directors, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board of Directors). The Board of Directors will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.

4.2 Powers of Compensation Committee. The Compensation Committee is authorized, subject to the provisions of this Plan, to establish from time to time such rules and regulations, make such determinations and to take such steps in connection with this Plan as in the opinion of the Compensation Committee are necessary or desirable for the proper administration of this Plan. For greater certainty, without limiting the generality of the foregoing, the Compensation Committee will have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan and any approvals or requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange:

(a) to delegate such duties and powers as the Compensation Committee may see fit with respect to this Plan (including, for greater certainty, the powers set out in Sections 4.2(c) through (q) below, pursuant to guidelines approved by the Compensation Committee, and in such event and in respect of those powers so delegated, references herein to the Compensation Committee shall be construed to be a reference to those Persons to whom such powers have been so delegated);

(b) to interpret and construe this Plan and any Award Agreement and to determine all questions arising out of this Plan and any Award Agreement, and any such interpretation, construction or determination made by the Compensation Committee will be final, binding and conclusive for all purposes;

(c) to determine Persons who are Eligible Persons;

(d) to grant Awards to Eligible Persons;

(e) to determine the type or types of Awards to be granted to each Eligible Person;

(f) to determine the time or times when Awards will be granted;

(g) to determine the number of Common Shares covered by each Award (or the then method by which payments or other rights are to be determined in connection with);

(h) to determine whether, to what extent and under what circumstances Awards may be exercised in cash, Common Shares, other securities, other Awards or other property, or cancelled, forfeited or suspended;

(i) to enter into an Award Agreement evidencing each Award which will incorporate such terms as the Compensation Committee in its discretion deems consistent with this Plan;

(j) to prescribe the form of the instruments relating to the grant, exercise and other terms and conditions of an Award;

(k) to determine the exercise price for each Option, subject to Sections 8.1 and 8.2 , as applicable;

(l) to determine the time or times when Options will vest and be exerciseable and to determine when it is appropriate to accelerate when Options otherwise subject to vesting may be exercised;

(m) to determine if the Common Shares that are subject to an Option will be subject to any restrictions or repurchase rights upon the exercise of such Option including, where applicable, the endorsement of a legend on any certificate representing Common Shares acquired on the exercise of any Option to the effect that such Common Shares may not be offered, sold or delivered except in compliance with the applicable securities laws and regulations of Canada, the United States or any other country and if any rights or restrictions exist they will be described in the applicable Option Agreement;

(n) to determine the expiration date for each Option, subject to Article 8.0

(o) to take such steps and require such documentation from each Eligible Person which in its opinion are necessary or desirable to ensure compliance with the rules and regulations of the Stock Exchange and all applicable laws;

(p) to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of Canada, the United States and other countries in which the Company or its Affiliates may operate to ensure the viability and maximization of the benefits from the Awards granted to Participants residing in such countries and to meet the objectives of this Plan; and

(q) to do all such other matters as provided for herein.

Unless otherwise expressly provided in this Plan, all designations, determinations, interpretations and other decisions under or with respect to this Plan or any Award shall be within the sole discretion of the Compensation Committee, may be made at any time and shall be final, conclusive and binding upon any Eligible Person and any holder or beneficiary of any Award.

4.3 Compensation Committee Governance if U.S. Registrant. If, and so long as the Common Shares are registered under Section 12(b) or 12(g) of the U.S. Securities Exchange Act, the Board of Directors will consider in selecting the members of the Compensation Committee, with respect to any Persons subject or likely to become subject to Section 16 of the U.S. Securities Exchange Act, the provisions regarding "non-employee directors" as contemplated by Rule 16b-3 under the U.S. Securities Exchange Act.

5.0 COMMON SHARES AVAILABLE FOR AWARDS

5.1 Common Shares Available. Subject to adjustment as provided in Article 22.0 and the applicable rules and regulations of all regulatory authorities to which the Company is subject (including the Stock Exchange), the total number of Common Shares issuable pursuant to the Plan shall not exceed 10% of the issued and outstanding Common Shares, which number shall include Common Shares issuable pursuant to the Prior Plan. The aggregate maximum number of Common Shares available under the Plan may be used for any Option or any other type of Award.

5.2 Accounting for Awards. For purposes of Section 5.1 and subject to Section 5.3, if an Award entitles the holder thereof to receive or purchase Common Shares, the number of Common Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Common Shares available for granting Awards under the Plan as follows:

(a) every Common Share subject to an Option shall be counted as one (1) Common Share for every Common Share subject to such Option; and

(b) every Common Share subject to an Award other than an Option shall be counted based on the ratio of the fair market value of such Award to the fair market value of one Option calculated using the Black-Scholes pricing model.

5.3 Other Accounting for Awards. If an outstanding Award for any reason expires or is terminated or cancelled without having been exercised or settled in full, or if Common Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant's purchase price, the

Common Shares shall again be available for issuance under the Plan. Common Shares shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

5.4 Prior Plan. All Option Agreements entered into under the Prior Plan shall be governed by the terms of the Prior Plan.

5.5 No Fractional Shares. No fractional Common Shares may be purchased or issued under this Plan.

6.0 GRANT OF AWARDS

Subject to the rules set out below, the Compensation Committee (or in the case of any proposed Participant who is a member of the Compensation Committee, the Board of Directors) may from time to time grant to any Eligible Person one or more Awards as the Compensation Committee deems appropriate. A Participant, who holds any Award at the time of granting an Award, may hold more than one type of Award.

6.1 Date Award Granted. The date on which an Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Award or, other than in the case of Awards of Options, of such other future date as may be specified by the Compensation Committee at the time of such authorization.

6.2 Number of Common Shares/Maximum Grant. The number of Common Shares that may be purchased under any Award or the amount of any Award that shall be granted in any form that may result in the issuance of Common Shares will be determined and fixed by the Compensation Committee at the date of grant, provided that:

(a) if, and for so long as the Common Shares are listed on the TSX-V:

(i) no more than 5% of the Outstanding Common Shares may be granted to any one individual in any 12 month period (unless the Company has obtained disinterested approval for such grant);

(ii) no more than 2% of the Outstanding Common Shares may be granted to any one Consultant in any 12 month period; and

(iii) no more than an aggregate of 2% of the Outstanding Common Shares may be granted to an Employee conducting Investor Relation Activities in any 12 month period.

(b) if, and for so long as the Common Shares are listed on the TSX:

(i) the number of Common Shares reserved for issuance to any one Participant pursuant to this Plan shall not, in aggregate, exceed 5% of the total number of Outstanding Common Shares; and

(ii) the number of Common Shares:

(a) issuable, at any time, to Participants that are Insiders; and

(b) issued to Participants that are Insiders within any one year period;

pursuant to this Plan, or when combined with all of Company's other security based share compensation arrangements shall not, in aggregate, exceed 10% of the total number of Outstanding Common Shares on a non-diluted basis.

6.3 Award Agreements. Each Award will be evidenced by an Award Agreement which incorporates such terms and conditions as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Award is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other Person as the Compensation Committee may designate for such purpose.

7.0 ELIGIBILITY

Any Eligible Person shall be eligible to be designated a Participant. In determining which Eligible Person shall receive an Award and the terms of any Award, the Compensation Committee may take into account the nature of the services rendered by the respective Eligible Person, their present and potential contributions to the success of the Company or such other factors as the Compensation Committee, in its discretion, deems relevant. Notwithstanding the foregoing, a U.S. Qualified Incentive Stock Option may only be granted to full-time or part-time employees (which term as used herein includes, without limitation, officers and directors who are also employees), and a U.S. Qualified Incentive Stock Option shall not be granted to an employee of an Affiliate unless such Affiliate is also a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the U.S. Internal Revenue Code or any successor provision (including any Affiliate and "subsidiary corporation that becomes such after the Effective Date").

8.0 OPTIONS

8.1 Exercise Price. Subject to Section 8.2 , the exercise price per Common Share under each Option shall be the fair market value of the Common Shares, expressed in terms of money, as determined by the Compensation Committee, in its sole discretion, provided that such price may not be less than the lowest price permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange.

8.2 Exercise Price within 90 Days of a Distribution by a Prospectus. If, and for so long as the Common Shares are listed on the TSX-V, if Options are granted within 90 days of a distribution by a prospectus, the minimum exercise price will be the greater of the Fair Market Value and the per share price paid by the public investors for Common Shares acquired under the distribution. The 90 day period begins:

(a) on the date a final receipt is issued for the prospectus; or

(b) in the case of a prospectus that qualifies special warrants, on the closing date of the special warrant private placement.

8.3 Term of Options. Subject to Section 8.4, each Option will expire (the "**Expiry Date**") on the earlier of:

(a) the date determined by the Compensation Committee and specified in the Option Agreement pursuant to which such Option is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth (10th) anniversary of the date on which such Option is granted, and (iii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;

(b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee, which date shall not exceed three months following the termination of the Participant's employment with the Company or in the case of Options granted to a director or Consultant, three months following the Participant ceasing to be a director or a Consultant, unless the Compensation Committee otherwise determines, and which period will be specified in the Award Agreement with the Participant with respect to such Option;

(c) in the event of the termination of the Participant as a director, officer, employee or Consultant of the Company or an Affiliate for cause, the date of such termination;

(d) in the event of the death of a Participant prior to: (A) the Participant ceasing to be an Eligible Person; or (B) the date which is the number of days specified by the Compensation Committee pursuant to subparagraph (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such other date as may be specified by the Compensation Committee and which period will be specified in the Award Agreement with the Participant with respect to such Option ; and

(e) notwithstanding the foregoing provisions of subparagraphs (b), (c) and (d) of this Section 8.3 , the Compensation Committee may, subject Article 21.0 and to regulatory approval, at any time prior to expiry of an Option extend the period of time within which an Option may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the original expiry date of the Option as provided for in subparagraph (a) above.

8.4 Blackout Extension. Where the Expiry Date for an Option occurs during or within 29 days following the end of a Blackout Period, the Expiry Date for such Option shall be extended to the date which is 30 days following the end of such Blackout Period.

8.5 Exercise of Options and Other Restrictions. Subject to the terms and conditions of this Plan, the Compensation Committee may impose such limitations or conditions on the exercise or vesting of any Option as the Compensation Committee in its discretion deems appropriate, including limiting the number of Common Shares for which any Option may be exercised during any period as may be specified by the Compensation Committee so long as the requirements of the Stock Exchange in regards to exercise or vesting as set out in this Article 8.0 are met. The number of Common Shares for which such Option may be exercised in any period will be specified in the Option Agreement with respect to such Option.

8.6 Ceasing to Vest. Except as determined from time to time by the Compensation Committee, all Options will cease to vest as at the date upon which the Participant ceases to be an Eligible Person (which, in the case of an employee or Consultant of the Company or its Affiliates, shall be the date on which active employment or engagement, as applicable, with the Company or its Affiliates terminates, specifically without regard to any period of reasonable notice or any salary continuance).

8.7 Accelerated Vesting of Options Upon Death. Notwithstanding Section 8.6 above, in the event of the death of a Participant prior to the Participant ceasing to be an Eligible Person, all Options of such Participant shall become immediately vested.

8.8 Vesting Requirements for Consultants Performing Investor Relations Activities. If and for so long as the Common Shares are listed on the TSX-V, Options issued to Consultants performing Investor Relations Activities must vest in stages over twelve months with no more than one-quarter (¼) of the options vesting in any three month period.

8.9 Exercise of Options. Each Option Agreement will provide that the Option granted thereunder may be exercised only by notice ("**Notice of Exercise**") delivered to the Company and signed by the Participant, or the legal representative or committee or attorney, as the case may be (the "**Legal Representative**"), of the Participant, and accompanied by full payment for the Common Shares being purchased. Such consideration may be paid in any combination of the following:

(a) bank draft, certified cheque or wire transfer; or

(b) such other consideration as the Compensation Committee may permit consistent with applicable laws, including the policies of the Stock Exchange.

As soon as practicable after any exercise of an Option, a certificate or certificates representing the Common Shares in respect of which such Option is exercised will be delivered by the Company to the Participant or the Legal Representative of the Participant.

8.10 Hold Periods. Options and any Common Shares issued on the exercise of the Options are subject to resale restrictions under securities laws and must be legended with applicable resale restrictions, for a period commencing on the date the Options were granted.

9.0 STOCK APPRECIATION RIGHTS

If the Company becomes a Tier 1 issuer on the TSX-V or if, and for so long as the Common Shares are traded on the TSX, the Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant Stock Appreciation Rights an Eligible Person with the following terms and conditions and with such additional terms and conditions not inconsistent with the provision of the Plan as the Compensation Committee shall determine.

9.1 Exercise of Stock Appreciation Rights. Each Stock Appreciation Right granted under the Plan shall confer on the holder upon exercise of the Stock Appreciation Right the right to receive, as determined by the Compensation Committee, cash or a number of Common Shares equal to the excess of: (i) the Fair Market Value of one Common Share on the date of exercise (or, if the Compensation Committee shall so determine, at any time during a specified period before or after the date of exercise), and; (ii) the grant price of the Stock Appreciation Right as determined by the Compensation Committee, which grant price shall not be less than 100% of the Fair Market Value of one Common Share on the date of grant of the Stock Appreciation Right. Subject to the terms of the Plan and the policies of the Stock Exchange, the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions (including conditions or restrictions on the exercise thereof) of any Stock Appreciation Right shall be as determined by the Compensation Committee.

9.2 Term of Stock Appreciation Rights. Subject to Section 9.3, each Stock Appreciation Right will have an Expiry Date on the earlier of:

(a) the date determined by the Compensation Committee and specified in the Award Agreement pursuant to which such Stock Appreciation Right is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth (10th) anniversary of the date on which such Stock Appreciation Right is granted, and (iii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;

(b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee, which date shall not exceed three months following the termination of the Participant’s employment with the Company or in the case of Stock Appreciation Rights granted to a director or Consultant, three months following the Participant ceasing to be a director or a Consultant, unless the Compensation Committee otherwise determines, and which period will be specified in the Award Agreement with the Participant with respect to such Stock Appreciation Right;

(c) in the event of the termination of the Participant as a director, officer, employee or Consultant of the Company or an Affiliate for cause, the date of such termination;

(d) in the event of the death of a Participant prior to: (A) the Participant ceasing to be an Eligible Person; or (B) the date which is the number of days specified by the Compensation Committee pursuant to subparagraph (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such other date as may be specified by the Compensation Committee and which period will be specified in the Award Agreement with the Participant with respect to such Stock Appreciation Right; and

(e) notwithstanding the foregoing provisions of subparagraphs (b), (c) and (d) of this Section 9.2, the Compensation Committee may, subject Article 21.0 and to regulatory approval, at any time prior to expiry of a Stock Appreciation Right extend the period of time within which a Stock Appreciation Right may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the original expiry date of the Stock Appreciation Right as provided for in subparagraph (a) above.

9.3 Blackout Extension. Where the Expiry Date for a Stock Appreciation Right occurs during or within 29 days following the end of a Blackout Period, the Expiry Date for such Stock Appreciation Right shall be extended to the date which is 30 days following the end of such Blackout Period.

10.0 RESTRICTED STOCK

The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant Restricted Stock to an Eligible Person with the following terms and conditions and with such additional terms and conditions not inconsistent with the provision of the Plan as the Compensation Committee shall determine.

10.1 Restriction. Common Shares of Restricted Stock shall be subject to such restrictions as the Compensation Committee may impose and which complies with the requirements of the Stock Exchange (including, without limitation, a restriction on or prohibition against the right to receive any dividend or other right or property with respect thereto), which restrictions lapse separately or in combination at such time or times, in such instalments or otherwise as the Compensation Committee may deem appropriate.

10.2 Stock Certificates. Any Restricted Stock granted under the Plan shall be evidenced by the issuance of a share certificate or certificates, which shall be held by the Company. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the applicable Award Agreement and possible forfeiture of such shares of Restricted Stock. Upon the issuance of the share certificate or share certificates for the Restricted Stock, the holder thereof shall have all rights of a shareholder of record with respect to such Common Shares, including the right to vote and receive distributions. The Common Shares of Restricted Stock shall vest in the holder thereof when all vesting restrictions and vesting contingencies lapse, including the lapse of any rights of forfeiture. Until such time, the Compensation Committee may require that such Common Shares be held by the Company together with a stock power duly endorsed in blank by the holder.

10.3 Forfeiture. Except as otherwise determined by the Compensation Committee, upon a Participant's ceasing to be an Eligible Person (as determined under criteria established by the Compensation Committee) during the applicable restriction period, all applicable Common Shares of Restricted Stock at such time subject to restriction shall be forfeited and reacquired by the Company; *provided, however,* that the Compensation Committee may, when it finds that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions with respect to Common Shares of Restricted Stock.

11.0 RESTRICTED STOCK UNITS

If the Company becomes a Tier 1 issuer on the TSX-V or if, and for so long as the Common Shares are traded on the TSX, the Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant Restricted Stock Units to Eligible Persons, with the following terms and conditions and with such additional terms and conditions not inconsistent with the provision of the Plan as the Compensation Committee shall determine.

11.1 Restricted Stock Unit Awards. Restricted Stock Units granted under the Plan shall confer on the holder the right to receive a Common Share (or cash payment equal to the Fair Market Value of a Common Share) at some future date, subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of the Plan, as the Compensation Committee shall determine.

11.2 Stock Certificates. Any Restricted Stock Units granted under the Plan shall be evidenced by the issuance of a share certificate or certificates, which shall be held by the Company. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the applicable Award Agreement and possible forfeiture of such shares of Restricted Stock Units. Upon the issuance of the share certificate or share certificates for the Restricted Stock Units, the holder thereof shall have all rights of a shareholder of record with respect to such Common Shares, including the right to vote and receive distributions. The Common Shares of the Restricted Stock Units shall vest in the holder thereof when all vesting restrictions and vesting contingencies lapse, including the lapse of any rights of forfeiture. Until such time, the Compensation Committee may require that such Common Shares be held by the Company together with a stock power duly endorsed in blank by the holder.

11.3 Forfeiture. Except as otherwise determined by the Compensation Committee and as set forth in the applicable Award Agreement, upon a Participant's ceasing to be an Eligible Person (as determined under criteria established by the Compensation Committee) during the applicable restriction period, all applicable Restricted Stock Units at such time subject to restriction shall be forfeited and reacquired by the Company; *provided, however,* that the Compensation Committee may, when it finds that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions with respect to Restricted Stock Units.

11.4 For Canadian Residents. Restricted Stock Unit Awards shall be settled in Common Shares, unless the Company offers the Participant the right to receive cash in lieu of Common Shares and the Participant, in its sole discretion, so elects.

12.0 PERFORMANCE AWARDS

The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant Performance Awards to an Eligible Person subject to the terms of the Plan. A Performance Award granted under the Plan: (i) may be denominated or payable in cash, Common Shares (including, without limitation, Restricted Stock and Restricted Stock Units), other securities, other Awards or other property, and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of such performance goals during such performance periods as the Compensation Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of the Performance Award shall be determined by the Compensation Committee.

13.0 OTHER STOCK-BASED AWARDS

13.1 Grant of Stock-Based Awards. The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant to an Eligible Person, such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including, without limitation, securities convertible into Common Shares), as are deemed by the Compensation Committee to be consistent with the purpose of the Plan. Common Shares or other securities delivered pursuant to a purchase right granted under this Article 13.0 shall be purchased for such consideration, which may be paid by such method or methods and in such form or forms (including, without limitation, cash, Common Shares, promissory notes *provided, however,* that the acceptance of such promissory notes does not conflict with Section 402 of the Sarbanes-Oxley Act of 2002 (if applicable), other securities, other Awards or other property or any combination thereof), as the Compensation Committee shall determine, the value of which consideration, as established by the Compensation Committee, shall not be less than 100% of the Fair Market Value of such Common Shares or other securities as of the date such purchase right is granted.

13.2 Income Tax. With respect to any other Award granted to a Participant employed in Canada, the Compensation Committee shall have the right, but not the obligation, to take account of Canadian income tax considerations in determining the terms and conditions of the Award or any other amendment thereto.

14.0 GENERAL TERMS OF AWARDS

14.1 Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as determined by the Compensation Committee and required by applicable law.

14.2 Awards May Be Granted Separately or Together. Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to, in tandem with any other Award or any award granted under any plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under any such other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

14.3 Forms of Payment under Awards. Subject to the terms of the Plan, payments or transfers to be made by the Company or an Affiliate upon the grant, exercise or payment of an Award may be made in such form or forms as the Compensation Committee shall determine (including, without limitation, cash, Common Shares, promissory notes *provided*, *however*, that the acceptance of such promissory notes does not conflict with Section 402 of the Sarbanes-Oxley Act of 2002 (if applicable), other securities, other Awards or other property or any combination thereof), and may be made in a single payment or transfer, in instalments or on a deferred basis, in each case in accordance with rules and procedures established by the Compensation Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on instalment or deferred payments or the grant or crediting of dividend equivalents with respect to instalment or deferred payments.

14.4 Restrictions, Securities Exchange Listing. All Common Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable under the Plan, applicable United States federal or state, Canadian provincial, or foreign securities laws and regulatory requirements, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Common Shares or other securities to reflect such restrictions. If the Common Shares or other securities are traded on a securities exchange, the Company shall not be required to deliver any Common Shares or other securities covered by an Award unless and until such Common Shares or other securities have been admitted for trading on such securities exchange.

15.0 CHANGE IN STATUS

A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Award was granted to such Participant will not result in the termination of the Award granted to such Participant provided that such Participant remains an Eligible Person.

16.0 NON-TRANSFERABILITY OF AWARDS

Each Award Agreement will provide that the Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign. The Award Agreement will also provide that the Award granted thereunder may only be exercised by the Participant or a Permitted Assign or in the event of:

(a) the death of the Participant or a Permitted Assign; or

(b) the appointment of a committee or duly appointed attorney of the Participant or a Permitted Assign on the grounds that the Participant or a Permitted Assign is incapable, by reason of physical or mental infirmity, of managing their affairs;

the Participant's or a Permitted Assign's Legal Representative.

17.0 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS

17.1 Representations and Covenants. Each Award Agreement will be deemed to contain representations and covenants of the Participant that:

(a) the Participant is a *bona fide* director, officer, employee, or Consultant of the Company or its Affiliates or a Person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;

(b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Company or its Affiliates;

(c) the Participant is aware that the grant of the Award and the issuance by the Company of Common Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Awards or the Common Shares to be distributed thereunder under any applicable securities laws;

(d) upon each exercise of an Award, the Participant, or the Legal Representative of the Participant, as the case may be, will, if requested by the Company, represent and agree in writing that the Person is, or the Participant was, a director, officer, employee or Consultant of the Company or its Affiliates or a Person otherwise determined as an Eligible Person under this Plan by the Compensation Committee and has not been induced to purchase the Common Shares by expectation of employment or continued employment with the Company or its Affiliates, and that such Person is not aware of any commission or other remuneration having been paid or given to others in respect of the granting of the Award; and

(e) if the Participant or the Legal Representative of the Participant exercises an Award, the Participant or the Legal Representative, as the case may be, will prior to and upon any sale or disposition of any Common Shares purchased pursuant to the exercise of an Award, comply with all applicable securities laws and all applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange, and will not offer, sell or deliver any of such Common Shares, directly or indirectly, in the United States or to any citizen or resident of, or any company, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with the securities laws of the United States.

17.2 Provisions Relating to Common Share Issuances under an Award Agreement. Each Award Agreement will contain such provisions as in the opinion of the Compensation Committee are required to ensure that no Common Shares are issued on the exercise of an Award unless the Compensation Committee is satisfied that the issuance of such Common Shares will be exempt from all registration or qualification requirements of applicable securities laws and will be permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange. In particular, if required by any regulatory authority to which the Company is subject, including the Stock Exchange, an Award Agreement may provide that shareholder approval to the grant of an Award must be obtained prior to the exercise of the Award or to the amendment of the Award Agreement.

18.0 U.S. QUALIFIED INCENTIVE STOCK OPTION PROVISIONS

To the extent required by Section 422 of the U.S. Internal Revenue Code, U.S. Qualified Incentive Stock Options shall be subject to the following additional terms and conditions and if there is any conflict between the terms of this Article and other provisions under this Plan, the provisions under this Article shall prevail.

18.1 Eligible Employees. All classes of employees of the Company or one of its parent companies or subsidiary companies may be granted U.S. Qualified Incentive Stock Options. U.S. Qualified Incentive Stock Options shall only be granted to U.S. Optionees who are, at the time of grant, officers, key employees or directors of the Company or one of its parent companies or subsidiary companies (provided, for purposes of this Article 18.0 only, such directors are then also employees of the Company or one of its parent companies or subsidiary companies). For purposes of this Article 18.0, "parent company" and "subsidiary company" shall have the meanings attributed to those terms for the purposes of Section 422 of the U.S. Internal Revenue Code. Any director of the Company who is a U.S. Optionee shall be ineligible to vote upon the granting of such Option; and for greater certainty, Consultants of the Company or one of its parents or subsidiary companies may not be granted U.S. Qualified Incentive Stock Options.

18.2 Dollar Limitation. To the extent the aggregate fair market value (determined as of the grant date) of Common Shares with respect to which U.S. Qualified Incentive Stock Options are exercisable for the first time by a U.S. Optionee during any calendar year (under this Plan and all other stock option plans of the Company and any parent or subsidiary companies) exceeds U.S.$100,000, such portion in excess of U.S.$100,000 shall be treated as a U.S. Nonqualified Stock Option. In the event the U.S. Optionee holds two or more such Options that become exercisable for the first time in the same calendar year, such limitation shall be applied on the basis of the order in which such Options are granted.

18.3 Term of U.S. Qualified Incentive Stock Options; No Issuance of U.S. Qualified Incentive Stock Options More than 10 Years after Plan Adopted. Consistent with Section 18.3 pertaining to the maximum term of Options, a U.S. Qualified Incentive Stock Option will terminate and no longer be exercisable no later than five or ten years, as applicable, after the date on which the U.S. Qualified Incentive Stock Option was granted. No U.S. Qualified Incentive Stock Option may be granted more than ten years after the earlier of (a) the date on which this Plan is adopted by the Board of Directors; or (b) the date on which this Plan is approved by the shareholders of the Company.

18.4 10% Shareholders. If any U.S. Optionee to whom a U.S. Qualified Incentive Stock Option is to be granted under this Plan at the time of the grant of such U.S. Qualified Incentive Stock Option is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company and any parent or subsidiary companies, then the following special provisions shall be applicable to the U.S. Qualified Incentive Stock Option granted to such individual:

(a) the exercise price (per Common Share) subject to such U.S. Qualified Incentive Stock Option shall not be less than one hundred ten percent (110%) of the fair market value of one Common Share at the time of grant; and

(b) for the purposes of this Article 18.0 only, the option exercise period shall not exceed five (5) years from the date of grant.

The determination of ten percent (10%) ownership shall be made in accordance with Section 422 of the U.S. Internal Revenue Code.

18.5 Exercisability. To qualify for U.S. Qualified Incentive Stock Option tax treatment, an Option designated as a U.S. Qualified Incentive Stock Option must be exercised within three months after termination of employment for reasons other than death or total disability, except that, in the case of termination of employment due to death or total disability, such Option must be exercised within one year after such termination. Employment shall not be deemed to continue beyond the first three months of a leave of absence unless the U.S. Optionee's reemployment rights are guaranteed by statute or contract. For purposes of this Section 18.5, "total disability" shall mean a mental or physical impairment of the U.S. Optionee which is expected to result in death or which has lasted or is expected to last for a continuous period of 12 months or more and which causes the U.S. Optionee to be unable, to be engaged in any substantial gainful activity. Total disability shall be deemed to have occurred on the first day after the Company and the two independent physicians have furnished their opinion of total disability to the Compensation Committee.

18.6 Taxation of U.S. Qualified Incentive Stock Options. In order to obtain certain tax benefits afforded to U.S. Qualified Incentive Stock Options under Section 422 of the U.S. Internal Revenue Code, the U.S. Optionee must hold the Common Shares issued upon the exercise of a U.S. Qualified Incentive Stock Option for two years after the date of grant of the U.S. Qualified Incentive Stock Option and one year from the date of exercise. A U.S. Optionee may be subject to U.S. alternative minimum tax at the time of exercise of a U.S. Qualified Incentive Stock Option. The Compensation Committee may require a U.S. Optionee to give the Company prompt notice of any disposition of shares acquired by the exercise of a U.S. Qualified Incentive Stock Option prior to the expiration of such holding periods.

18.7 Non-Transferability of U.S. Qualified Incentive Stock Options. No U.S. Qualified Incentive Stock Option granted under this Plan may be assigned or transferred by the U.S. Optionee other than by will or by the laws of descent and distribution, and during the U.S. Optionee's lifetime, such U.S. Qualified Incentive Stock Option may be exercised only by the U.S. Optionee.

18.8 Exercise Price. Notwithstanding Sections 8.1 and 8.2, no U.S. Qualified Incentive Stock Option granted under the Plan shall have an exercise price less than the fair market value of the underlying Common Shares at the date of grant of such Option, as determined at such time in good faith by the Board or Directors or the Compensation Committee, as the case may be. For purposes of this Section 18.8, unless otherwise determined by the Board, fair market value shall mean the closing price of one Common Share as reported on the Stock Exchange, or such other market on which the Common Shares are listed or posted for trading, on the date of grant of such Option.

18.9 Approval by Shareholders. No U.S. Qualified Incentive Stock Option granted to a U.S. Optionee under this Plan shall become exercisable unless and until this Plan shall have been approved by the shareholders of the Company within 12 months of adoption by the Board of Directors of the Company.

19.0 WITHHOLDING TAX

The Participant will be solely responsible for paying any applicable taxes (for greater certainty includes any tax under the *Income Tax Act* (Canada), the U.S. Internal Revenue Code, and any other applicable tax statute or regulation) arising from the grant, vesting or exercise of any Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the foregoing, the Company will have the right to withhold from any Award or any Common Shares issuable pursuant to an Award or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

20.0 CONDITIONS

Notwithstanding any of the provisions contained in this Plan or in any Award Agreement, the Company's obligation to issue Common Shares to a Participant pursuant to the exercise of an Award or the granting of any Award will be subject to, if applicable:

(a) completion of such registration or other qualification of such Common Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and

(b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

21.0 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

21.1 Suspension, Amendment or Termination of Plan. This Plan will terminate on the tenth anniversary of the Effective Date. The Compensation Committee will have the right at any time to suspend, amend or terminate this Plan and, subject to the requirements of the Stock Exchange and Section 21.2, may:

(a) with approval of shareholders of the Company, by ordinary resolution make any amendment to any Award Agreement or the Plan; and

(b) without approval of shareholders of the Company make the following amendments to any Award Agreement or the Plan:

(i) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;

(ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Stock Exchange;

(iii) subject to the terms and conditions of the Plan, amendments to vesting provisions of Award Agreements;

(iv) convert to a fixed number plan at any time, with the fixed number being equal to 10% of the ten issued and outstanding Common Shares o fhte Company;

(v) extend the term of Options and Stock Appreciation Rights held by non-Insiders of the Company;

(vi) reduce the exercise price per Common Share under any Option held by non-Insiders of the Company or replace such Option with a lower exercise price per Common Share under such replacement Option; and

(vii) if, as for so long as the Common Shares are not listed on teh TSX-V, amendments which provide cashless exercise features to an Option that require the full deduction of the number of underlying Common Shares from the total number of Common Shares subject to the Plan.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to the Plan or amendments to any Award Agreement.

21.2 **Limitations**. In exercising its rights pursuant to Section 21.1, the Compensation Committee will not have the right to:

(a) without the prior approval of shareholders and except as permitted pursuant to Article 22.0, (i) extend the term of an Award held by an Insider of the Company; or (ii) reduce the exercise price per Common Share under any Award held by an Insider of the Company; or (iii) cancel any Award held by an Insider and replace such Award within three months;

(b) affect in a manner that is adverse or prejudicial to, or that impairs, the benefits and rights of any Participant under any Award previously granted under this Plan (except as permitted pursuant to Article 22.0 and except for the purpose of complying with applicable securities laws or the bylaws, rules and regulations of any regulatory authority to which the Company is subject, including the Stock Exchange);

(c) decrease the number of Common Shares which may be purchased pursuant to any Award (except as permitted pursuant to Article 22.0) without the consent of such Participant;

(d) set the exercise price of any Option below the Fair Market Value of such Option on the date of grant;

(e) increase the exercise price at which Common Shares may be purchased pursuant to any Option (except as permitted pursuant to Article 22.0) without the consent of such Participant;

(f) extend the term of any Option beyond a period of ten years or the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Stock Exchange;

(g) grant any Award if this Plan is suspended or has been terminated; or

(h) change or adjust any outstanding U.S. Qualified Incentive Stock Option without the consent of the Participant if such change or adjustment would constitute a "modification" that would cause such U.S. Qualified Incentive Stock Option to fail to continue to qualify as a U.S. Qualified Incentive Stock Option.

21.3 Powers of Compensation Committee Survive Termination. The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Awards have been exercised or settled in full or have otherwise expired.

22.0 ADJUSTMENTS

22.1 Adjustments. Appropriate adjustments to this Plan and to Awards shall be made, and shall be conclusively determined, by the Compensation Committee to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations, substitutions, or reclassifications of the Common Shares, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other changes in the capital of the Company or from a Merger and Acquisition Transaction. Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Compensation Committee, and any such determination will be binding on the Company, the Participant and all other affected parties.

22.2 Merger and Acquisition Transaction. In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction:

(a) the Compensation Committee shall, in an appropriate and equitable manner, determine any adjustment to the number and type of Common Shares (or other securities or other property) that thereafter shall be made the subject of Awards; and

(b) the Compensation Committee shall, in an appropriate and equitable manner, determine the number and type of Common Shares (or other securities or other property) subject to outstanding Awards; and

(c) the Compensation Committee shall, in an appropriate and equitable manner, determine the purchase price or exercise price with respect to any Award; *provided*, *however*, that the number of Common Shares covered by any Award or to which such Award relates shall always be a whole number; and

(d) the Compensation Committee shall, in an appropriate and equitable manner, determine the manner in which all unexercised rights granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the Participants, the time for the fulfilment of any conditions or restrictions on such exercise, and the time for the expiry of such rights; and

(e) the Compensation Committee or any company which is or would be the successor to the Company or which may issue securities in exchange for Common Shares upon the Merger and Acquisition Transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement awards over any securities into which the Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under award and the exercise price (and otherwise substantially upon the terms of the Award being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Award may be exercised and expiry dates; and in such event, the Participant shall, if he accepts such offer, be deemed to have released his Award over the Common Shares and such Award shall be deemed to have lapsed and be cancelled; and

(f) the Compensation Committee may commute for or into any other security or any other property or cash, any Award that is still capable of being exercised, upon giving to the Participant to whom such Award has been granted at least 30 days written notice of its intention to commute such Option, and during such period of notice, the Award, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such period of notice, the unexercised portion of the Award shall lapse and be cancelled.

Subsections (a) through (f) of this Section 22.2 may be utilized independently of, successively with, or in combination with each other and Section 22.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Awards in any other manner. All determinations by the Compensation Committee under this Article 22.0 will be final, binding and conclusive for all purposes.

22.3 Cancellation. The Compensation Committee may, in its sole discretion, cancel any or all outstanding Awards and pay to the holders of any such Awards that are otherwise vested, in cash, the value of such Awards based upon the price per share of capital stock received or to be received by other shareholders of the Company in such event, provided that if and to the extent required by U.S. Internal Revenue Code Section 409A and applicable guidance thereunder this sentence shall not apply to any award that is subject to U.S. Internal Revenue Code Section 409A if the cancellation would result in a violation of Section 409A.

22.4 **No Limitation.** The grant of any Awards under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

22.5 **No Fractional Shares.** No adjustment or substitution provided for in this Article 22.0 will require the Company to issue a fractional share in respect of any or other Awards and the total substitution or adjustment with respect to each Award will be limited accordingly.

23.0 GENERAL

23.1 **No Rights as Shareholder**. Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Common Shares reserved for the purpose of any Award.

23.2 **No Effect on Employment.** Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or its Affiliates or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or its Affiliates or any present or future retirement policy of the Company or its Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

23.3 **No Fettering of Directors' Discretion.** Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board of Directors in connection with any allotment and issuance of Common Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.

23.4 **Applicable Law.** The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.