SABIO HOLDINGS INC.
(the “Company”)

OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

ARTICLE 1
PURPOSE AND INTERPRETATION

Establishment of the Plan

1.1 Sabio Holdings Inc., a corporation incorporated under the laws of Ontario (the “**Company**”), hereby establishes an incentive compensation plan to be known as the Omnibus Equity Incentive Compensation Plan (the “**Plan**”). The Plan permits the grant of Options, Restricted Share Units, Deferred Share Units, and Performance Share Units. The Plan includes a U.S. Sub-Plan. The Plan shall be adopted and become effective on the date approved by the Board (the “**Effective Date**”), subject to receipt of all required Regulatory Approvals (defined below). Upon taking effect, the Plan shall amend, restate, supersede and replace in its entirety the rolling amended and restated share option plan approved by the Board (defined below) on October 6, 2021 (the **“Previous Plan”**). For greater certainty, the Legacy Share Option Plan (Fixed) approved by the Board on October 6, 2021 (the **“Legacy Plan”**) shall remain in full force and effect.

Purpose

1.2 The purpose of this Plan, which, for greater certainty, includes the U.S. Sub-Plan (defined below), is to provide an incentive to eligible Persons to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company, to recognize contributions made by such Persons and to create an incentive to increase their efforts on behalf of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the TSX Venture Policies (defined below) and any inconsistencies between this Plan and the TSX Venture Policies will be resolved in favour of the latter.

1.3 This Plan includes the U.S. Sub-Plan, which provisions are only applicable to U.S. Participants (defined below).

Definitions

1.4 In this Plan:

(a) **“Affiliate”** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company. For the purposes of this definition, an entity is deemed to “control” another corporation, partnership or other entity if the entity possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation that is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

(b) "**Award**" means, individually or collectively, a grant under this Plan of Options, Deferred Share Units, Restricted Share Units, Performance Share Units or common shares-based awards, in each case subject to the terms of this Plan.

(c) "**Award Agreement**" means either (i) a written agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to Awards granted under this Plan; or (ii) a written statement issued by the Company to a Participant describing the terms and provisions of applicable to Awards granted under this Plan.

(d) "**Award Payout**" has the meaning ascribed thereto under Section 9.7.

(e) **"Associate"** has the meaning set out in the Securities Act.

(f) **"Black-out 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 (or exercise, redeem or settle their Awards) because they may be in possession of undisclosed material information pertaining to the Company, or because such determination has been made in anticipation of the release of quarterly or annual financials or to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject).

(g) **"Board"** or "**Board of Directors**" means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Awards under this Plan.

(h) "**Cashless Exercise**" has the meaning ascribed thereto under Section 5.3.

(i) **"Change of Control"** includes the following situations (whether after giving effect to a contemplated transaction or as a result of a transaction):

> (i) the acquisition, whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the Securities Act and the rules and regulations thereunder), of voting securities of the Company which, together with any other voting securities of the Company held by such person or company or persons or companies, constitute, in the aggregate, more than 20% of all outstanding voting securities of the Company;
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> (ii) an amalgamation, arrangement or other form of business combination of the Company with another company that results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Company (including a merged or successor company) resulting from the business combination;
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> (iii) the sale, lease or exchange of all or substantially all of the property of the Company to another person, other than a subsidiary of the Company or other than in the ordinary course of business of the Company; or
>
> (iv) individuals who, on the Grant 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. Notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of either an actual or threatened election contest, or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or Person other than the Board, shall in any event be considered to be a member of the Incumbent Board.

To the extent necessary to comply with Section 409A of the Code, a Change of Control will be considered to have occurred only to the extent the relevant event constitutes a change in control event under Section 409A of the Code.

(j) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

(k) "**Common Shares**" means the common shares in the capital of the Company, provided such common shares are listed on the TSX Venture.

(l) "**Company**" means Sabio Holdings Inc. and includes, unless the context otherwise requires, all of its successors according to law.

(m) "**Consultant**" means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing *bona fide* basis, consulting, technical, managerial or like 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 Consultant Company;

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

(iv) has a relationship with the Company or a subsidiary of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company.

(n) **"Consultant Company"** means a Consultant that is a Person other than an individual.

(o) **Deferred Share Unit**" means an Award denominated in units that provides the holder thereof with a right to receive Common Shares upon settlement of the Award, granted under ARTICLE 7 herein and subject to the terms of this Plan.

(p) **"Directors"** means the directors of the Company or of any of its subsidiaries as may be elected from time to time.

(q) **"Discounted Market Price"** has the meaning assigned by Policy 1.1 of the TSX Venture Policies.

(r) **"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates.

(s) **"Distribution"** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury.

(t) "**Dividend Equivalent**" means a right specified in the applicable Award Agreement with respect to an Award to receive cash, Common Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Common Shares.

(u) **"Employee"** means:

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

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

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

(iv) in the case of an individual working for the Company or a subsidiary thereof located primarily in the United States, a common law employee of the Company or its subsidiary as determined in accordance with applicable law.

(v) **"Exchange Hold Period"** has the meaning assigned by Policy 1.1 of the TSX Venture Policies.

(w) **"Exercise Price"** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof.

(x) **"Expiry Date"** means the day on which an Award lapses as specified in the Award Agreement therefor or in accordance with the terms of this Plan.

(y) "**Fair Market Value**" or "**FMV**" means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the TSX Venture, a price that is determined by the Board, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Common Shares on the TSX Venture for the five trading days immediately prior to the Grant Date, (ii) the closing price of the Common Shares on the Exchange on the trading day immediately prior to the Grant Date, or (iii) the closing price of the Common Shares on the TSX Venture on the Grant Date.

(z) **"Grant Date"** for an Award means the date of grant thereof by the Board.

(aa) **"Insider"** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company.

(bb) **"Investor Relations Activities"** has the meaning assigned by Policy 1.1 of the TSX Venture Policies.

(cc) **"Management Company Employee"** means an individual employed by a Person providing management services to the Company that are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities.

(dd) **"Market Price"** has the meaning assigned by Policy 1.1 of the TSX Venture Policies.

(ee) **"Material Information"** means a Material Fact and/or Material Change as such terms are defined by applicable Securities Laws and TSX Venture Policies.

(ff) "**New Security Based Compensation**" means collectively the Deferred Share Units, Restricted Share Units or Performance Share Units in each case subject to the terms of this Plan.

(gg) "**Notice Period**" means any period of contractual notice or reasonable notice that the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

(hh) **"Officer"** means a Board appointed officer of the Company or of any of its subsidiaries.

(ii) **"Option"** means the right to purchase Common Shares granted hereunder to a Participant for a specified period of time subject to the terms of this Plan.

(jj) **"Optioned Shares"** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option.

(kk) **"Optionee"** means the recipient of an Option hereunder.

(ll) **"Outstanding Shares"** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time.

(mm) **“Participant”** means a Service Provider that is the recipient of an Award granted or issued by the Company.

(nn) “**Performance Goal**” means a performance criterion selected by the Board for a given Award.

(oo) “**Performance Period**” means the period of time during which the assigned Performance Goal must be met in order to determine the degree of payout and/or vesting with respect to an Award.

(pp) “**Performance Share Unit**” means an Award granted under ARTICLE 8 herein and subject to the terms of this Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

(qq) “**Period of Restriction**” means the period when an Award is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Board, in its discretion.

(rr) **“Permanent Disability”** shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant’s position with the Company or any subsidiary because of the sickness or injury of the Participant.

(ss) **“Person”** includes a company, any unincorporated entity, or an individual.

(tt) **“Plan”** means this Sabio Holdings Inc. Omnibus Equity Incentive Compensation Plan, the terms of which are set out herein or as may be amended.

(uu) “**Policy 4.4**” means Policy 4.4 - *Security Based Compensation* of the TSX Venture.

(vv) **“Regulatory Approval”** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over this Plan and any Awards issued hereunder.

(ww) “**Restricted Share Unit**” means an Award denominated in units subject to a Period of Restriction, with a right to receive an Award Payout upon settlement of the Award, granted under ARTICLE 6 herein and subject to the terms of this Plan.

(xx) **“Securities Act”** means the *Securities Act* (Ontario) or any successor legislation.

(yy) **“Securities Law”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company;

(zz) **“Service Provider”** means a Person who is a *bona fide* Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers.

(aaa) "**Security Based Compensation**" has the meaning ascribed thereto in Policy 4.4. "Security Based Compensation Plan" has the meaning ascribed thereto in Policy 4.4.

(bbb) **"Share Compensation Arrangement"** means any Awards under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan, restricted share plan or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury to a Participant, but does not include:

(a) arrangements that do not involve the issuance from treasury or potential issuance from treasury of securities of the Company;

(b) security based compensation arrangements that are settled solely in cash and/or securities purchased on the secondary market; and

(c) security based compensation arrangements that qualify as Shares for Services and Shares for Debt arrangements under the TSX Venture Policies.

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

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

(eee) **"TSX Venture"** or **"TSX-V"** means the TSX Venture Exchange and any successor thereto.

(fff) **"TSX Venture Policies"** means the rules and policies of the TSX Venture as amended from time to time.

(ggg) **"U.S. Sub-Plan"** means the "Sub-Plan for U.S. Participants" as more particularly set out in ARTICLE 11, including, for greater certainty, the California Terms and Conditions attached hereto as **Appendix "A"**.

(hhh) "**VWAP**" means the volume weighted average trading price of the Company's Common Shares on the TSX Venture calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Option, provided that where appropriate, the TSX Venture may exclude internal crosses and certain other special terms trades from the calculation.

Other Words and Phrases

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

Gender

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

ARTICLE 2
ADMINISTRATION

Powers of the Board

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

(a) interpret and administer the Plan,

(b) establish, amend and rescind any rules and regulations relating to the Plan; and

(c) make any other determinations that the Board deems necessary or appropriate for the administration of the Plan.

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

2.3 Without limiting the generality of the foregoing, the Board has the power to:

(a) allot Common Shares for issuance in connection with the exercise of the Awards;

(b) grant Awards hereunder;

(c) approve the terms of any Award Agreement;

(d) waive the requirement of vesting with respect to any Award, subject to Policy 4.4;

(e) select Award recipients and establish all Award terms and conditions, including grant, exercise price, issue price and vesting terms;

(f) determine Performance Goals applicable to Awards and whether such Performance Goals have been achieved;

(g) approve the pre-vesting exercise of Awards on the terms and subject to the conditions set forth in the applicable Award Agreement(s);

(h) make determinations as to whether a Change of Control has occurred;

(i) subject to any necessary Regulatory Approval and requirements of the TSX Venture Policies, amend, suspend, terminate or discontinue this Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of this Plan will, without the prior written consent of all Participants, alter or impair any Award previously granted under this Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and

(j) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

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

(a) it may make amendments that are of a typographical, grammatical or clerical nature only;

(b) it may change the vesting provisions of an Award granted hereunder, subject to prior written approval of the TSX Venture, if applicable;

(c) it may change the termination provision of an Award granted hereunder that does not entail an extension beyond the original Expiry Date of such Award;

(d) it may make amendments necessary as a result of changes in Securities Laws applicable to the Company, including, but not limited to applicable U.S. securities laws;

(e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and

(f) it may make such amendments that reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

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

(a) if this Plan, together with all of the Company's other previous Share Compensation Arrangements and grants or issuances of Security Based Compensation, could result at any time in:

(i) the aggregate number of Common Shares that are issuable pursuant all Security Based Compensation granted or issued to Insiders (as a group) exceeding 10% of the Outstanding Shares of the Company at any point in time;

(ii) the aggregate number of Common Shares of the Company that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) exceeding 10% of the Outstanding Shares of the Company, calculated as at the date any Security Based Compensation is granted or issued to any Insider; or

(iii) the aggregate number of Common Shares of the Company that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (and where permitted under Policy 4.4, any companies that are wholly owned by that Person) exceeding 5% of the Outstanding Shares, calculated as at the date any Security Based Compensation is granted or issued to the Person; or

(b) any reduction in the Exercise Price of an Option previously granted to an Insider; or

(c) the extension to the term of an outstanding Option held by an Insider; or

(d) any amendment that results in a benefit to an Insider, and for further clarity, cancellation of Security Based Compensation and within one year granting or issuing new Security Based Compensation to the same Person is considered an amendment.

Options Granted Under the Company's Previous Share Option Plan

2.6 Any Option granted pursuant to the Previous Plan previously adopted by the Board that is outstanding at the time this Plan comes into effect shall as of the date this Plan comes into effect, be governed by the terms and conditions hereof. For greater certainty, any outstanding Option granted pursuant to the Previous Plan may be exercised prior to the requisite Shareholder approval having been obtained by the Company.

ARTICLE 3
MAXIMUM AWARDS AND GENERAL PROVISIONS

Maximum Plan Shares

3.1 The Plan is a "*rolling up to 10% and fixed up to 10%*" Security Based Compensation Plan, as defined in Policy 4.4 - *Security Based Compensation* of the TSXV. The Plan is a: (a) "rolling" plan pursuant to which the number of Common Shares that are issuable pursuant to the exercise of Options granted hereunder (including, for greater certainty, the U.S. Sub-Plan) and Common Shares reserved for issuance pursuant to the exercise of Options granted under any other Share Compensation Arrangement (including, but not limited to, the Legacy Plan) from time to time shall not exceed 10% of the issued Common Shares of the Company as at the date of any Option grant, and (b) "fixed" plan under which the number of Common Shares of the Company that are issuable pursuant to all Awards other than Options granted hereunder and under any other Security Based Compensation Plan of the Company, in aggregate is a maximum of 10% of the issued Common Shares of the Company as at the effective date of implementation of the Plan, that is 4,550,993, and in each case, subject to adjustment as provided in Section 3.12 herein.

3.2 It is clarified that the aggregate number of Common Shares issuable upon the exercise of all Options granted under this Plan (including, for greater certainty, the U.S. Sub-Plan) and Common Shares reserved for issuance pursuant to the exercise of Options granted under any other Share

Compensation Arrangement (including, but not limited to, the Legacy Plan) granted or made available by the Company from time to time may not exceed in aggregate 10% of the Outstanding Shares at the time of any Option grant.

Specific Allocations

3.3 The Company cannot grant or issue an Award hereunder unless and until the Award has been allocated to a particular Participant.

Limitations on Issue

3.4 Subject to Section 2.5, the following restrictions on issuances of Awards are applicable under this Plan:

(a) unless the Company has obtained Disinterested Shareholder Approval to do so, the maximum aggregate number of Common Shares of the Company that are issuable pursuant to all Share Based Compensation granted to any one Person in the previous 12 months must not exceed 5% of the Outstanding Shares calculated as at the date any Security Based Compensation is granted or issued to the Person, except securities that are expressly permitted and accepted by TSX Venture for filing under Part 6 of Policy 4.4;

(b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture

(c) the aggregate number of Awards granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture;

(d) unless the Company has obtained Disinterested Shareholder Approval to do so, the aggregate number of Common Shares that are issuable pursuant all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the Outstanding Shares of the Company at any point in time; and

(e) unless the Company has obtained Disinterested Shareholder Approval to do so, the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) must not exceed 10% of the Outstanding Shares of the Company, calculated as at the date any Security Based Compensation is granted or issued to any Insider.

Eligibility

3.5 Awards to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its subsidiaries, from time to time by the Board. Except in relation to Consultant Companies, Awards may be granted only to an individual or to a Company that is wholly owned by individuals eligible to receive Awards. If the Service Provider is a company, excluding any Service Provider that is a Consultant Company, it must provide the TSX Venture with a completed Certification and Undertaking Required from a Company Granted Security Based Compensation in the form of Schedule "A" to Form 4G - Summary Form – Security Based Compensation, as provided for in Policy 4.4 - *Security*

Based Compensation of the TSXV. Service Providers that are not individuals, other than a Consultant Company, will also be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Award), as long as such Award remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

3.6 Subject to the provisions of the Plan, the Board may, from time to time, in its sole discretion select from among eligible Directors, Officers, Employees, Management Company Employees and Consultant Companies or Consultants of the Company or of any of its subsidiaries, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award in accordance with the Plan.

3.7 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Award Agreement made hereunder. An Award Agreement need not be identical to other Award Agreements either in form or substance.

Minimum Price for Security Based Compensation other than Options

3.8 The minimum exercise price of an Option is set out in section 4.4 and the same principles apply to other Awards where the value of the Award is initially tied to the market price.

Hold Period

3.9 All Awards and Common Shares issuable thereunder are subject to any applicable resale restrictions under Securities Laws and the Exchange Hold Period (as defined in the TSX Venture Policies), and shall have affixed thereto any legends required under Securities Laws and the policies of the TSX Venture, including any legends specified in the U.S. Sub-Plan, as applicable.

Extension of Awards Expiring During Blackout Period

3.10 Should the Expiry Date, redemption date or settlement date of any Award, other than an Incentive Stock Option, fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date, redemption date or settlement date shall, subject to approval of the TSX Venture and, to the extent applicable, compliance with Section 409A of the Code, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date, redemption date or settlement date for such Award for all purposes under this Plan. The following requirements are applicable to any such automatic extension provision:

(a) the Blackout Period must be formally imposed by the Company pursuant to its internal trading policies as a result of the *bona fide* existence of undisclosed Material Information;

(b) the automatic extension of the expiry date, redemption date or settlement date, as applicable, of a Participant's Award is not be permitted where the Participant or the Company is subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities; and

(c) the automatic extension is available to all eligible Participants under the Plan under the same terms and conditions.

3.11 Notwithstanding Section 2.3, the tenth Business Day period referred to in Section 3.10 may not be extended by the Board.

Adjustment of the Number of Common Shares

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

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Award is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Common Shares hereunder, in addition to the number of Common Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without a Participant making any additional payment or giving any other consideration therefor;

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

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

(d) in addition to the provisions set out in Section 3.13 and Section 3.14, in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Award is in effect, the Participant will thereafter have the right to purchase and receive, *in lieu* of the Common Shares immediately theretofore purchasable and receivable upon the exercise of the Award, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale that the holder of a number of Common Shares equal to the number of Common Shares immediately theretofore purchasable and receivable upon the exercise of the Award would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 3.12;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative. Any adjustments shall be made automatically, without the necessity of Board action, on the customary arithmetical basis in the case of any consolidation or subdivision, including a subdivision effected by means of a stock dividend;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.12, be deliverable upon the exercise of an Award will be cancelled and not be deliverable by the Company;

(g) if any questions arise at any time with respect to the Exercise Price or number of Common Shares deliverable upon exercise of an Award in any of the events set out in this Section 3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants in the city of the Company's principal executive office, that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Participants; and

(h) Subject to the approval of the TSX Venture, where applicable, in the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Common Shares or the capitalization of the Company) such as a merger, arrangement or amalgamation that does not constitute a Change of Control, or a consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Board shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Common Shares that may be issued under the Plan, the number and kind of Common Shares subject to outstanding Awards, the exercise price applicable to outstanding Awards, the number of Common Shares eligible to be issued hereunder, and any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization.

The Board shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Board as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments shall comply with Section 409A of the Code with respect to any U.S. Participants and the rules of any stock exchange or market upon which such Shares are listed or traded.

Subject to the provisions of the Plan and any applicable law or regulatory requirement, without affecting the number of Common Shares reserved or available hereunder, the Board may authorize the issuance, assumption, substitution or conversion of Awards under this Plan in connection with any such corporate event or transaction, upon such terms and conditions as it may deem appropriate. Additionally, the Board may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

Corporate Transactions

3.13 In the event that the Company undertakes a Change of Control or other corporate transaction (e.g., stock sale, merger, sale of all or substantially all assets or other similar transaction) (each a **"Corporate Transaction"**):

(a) subject to applicable Securities Laws and the TSX Venture Policies, the Board may provide that any escrow, holdback, earn-out or similar provisions in the Corporate Transaction may apply to any payment made in respect of an Award to the same extent and in the same manner as such provisions apply to the Company's shareholders (or, with such variations from the treatment of the Company's shareholders as the Board, in its discretion, determines are necessary or advisable to effectuate the transaction); and

(b) subject to applicable Securities Laws and the TSX Venture Policies, all Awards outstanding on the effective date of the Corporate Transaction shall be treated in the manner described in the definitive agreement with respect to the Corporate Transaction (or, in the event the Corporate Transaction does not entail a definitive agreement to which the Company is party, or the definitive agreement does not describe the treatment of such Awards, then in the manner determined by the Board, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or all portions of an Award) in an identical manner. The treatment specified in the definitive agreement or determined by the Board may include (without limitation) one or more of the following with respect to each outstanding Award, subject to applicable Securities Laws and the TSX Venture Policies:

(i) continuation of the Award by the Company (if the Company is the surviving entity);

(ii) assumption of the Award by the surviving entity or its parent in a manner that complies with Code Sections 409A and 424(a) (as applicable);

(iii) substitution by the surviving entity or its parent of a new award for the Award in a manner that complies with Code Sections 409A and 424(a) (as applicable);

(iv) cancellation of the Award and a payment to the Participant with respect to each Common Share subject to the portion of the Award that is vested as of the transaction date (after taking into account any acceleration of vesting that may apply or be provided by the Board) equal to the excess of (A) the value, as determined by the Board in its reasonable discretion, of the property (including cash) received by the holder of a Common Share as a result of the transaction, over (B) the Exercise Price of the Award (such excess, the "**Spread**"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving entity or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the definitive agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Shares. If the Spread applicable to an Award is zero or a negative number, then the Award may be cancelled without making a payment to the Participant;

(v) cancellation of the Award without the payment of any consideration, provided that the Participant shall be notified of such treatment and given an opportunity to exercise the Award (to the extent the Award is vested or becomes vested as of the effective date of the transaction) during a period of not less than five business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Participant a reasonable opportunity to exercise the Award. Any exercise of the Award during such period may be contingent upon the closing of the transaction;

(vi) suspension of the Participant's right to exercise the Award during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to permit the closing of the transaction; and

(vii) termination of any right a Participant has to exercise the Award prior to the vesting in the Common Shares subject to the Award (i.e., "early exercise"), such that following the closing of the transaction the Award may only be exercised to the extent it is vested.

3.14 The Company, from time to time, may substitute or assume outstanding awards granted by another entity, whether in connection with an acquisition of such other entity or otherwise, by either: (i) granting an Award under this Plan (including, as applicable, the U.S. Sub-Plan) in substitution of such other entity's award; or (ii) assuming and/or converting such award as if it had been granted under this Plan (including, as applicable, the U.S. Sub-Plan) if the terms of such assumed award could be applied to an Award granted under this Plan (including, as applicable, the U.S. Sub-Plan). Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan (including, as applicable, the U.S. Sub-Plan) if the other entity had applied the rules of this Plan (including, as applicable, the U.S. Sub-Plan) to such grant. In the event the Company assumes and converts an award granted by another entity, subject to the terms and conditions of this Plan (including, as applicable, the U.S. Sub-Plan), applicable Securities Laws and the TSX Venture Policies, the terms and conditions of such award will, to the extent determined by the Board in its discretion, remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code), and, with respect to U.S. Participants, such conversion shall be conducted in accordance with U.S. Treasury Regulation Section 1.424-1(a) for Incentive Stock Options and U.S. Treasury Regulation Section 1.409A-1(b)(5)(v)(D) for Nonstatutory Stock Options.

Acceleration of Vesting on Change of Control

3.15 Subject to the specific terms as to vesting contained in any Award Agreement, the Board will have the discretion, but not the obligation, to accelerate the vesting of all or any portion of any Award that are outstanding and subject to vesting in the event of a Change of Control. In the event of a determination of the Board to accelerate vesting, and unless otherwise determined by the Board, the Awards shall be deemed to have immediately vested upon the occurrence of the Change of Control. The foregoing provisions will not apply to Options granted to a Person engaged in Investor Relations Activities.

Other Restrictions

3.16 The Plan is subject to the following provisions:

(i) Awards shall not entitle a Participant to any shareholder rights (including, without limitation, voting rights, dividend entitlement or rights on liquidation) until such time as underlying Shares are issued to such Participant, other than an accrual of dividends in compliance with the Plan and as accepted by the Exchange;

(ii) all Awards are non-assignable and non-transferable;

(iii) Investor Relations Service Providers may not receive any Award other than Options;

(iv) if a Participant's heirs or administrators are entitled to any portion of an outstanding Award, the period in which they can make such claim shall not exceed one year from the Participant's death;

(v) for Awards granted or issued to Employees, Consultants or Management Company Employees, the Company and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be; and

(vi) any Award granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee shall expire in accordance with the provisions of the Plan, but in any event, within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Plan.

ARTICLE 4
TERMS AND CONDITIONS OF STOCK OPTIONS

Options Granted Under the Plan

4.1 Subject to the terms and provisions of the Plan, Options may be granted to Service Providers in such number, and upon such terms, and at any time and from time to time as shall be determined by the Board in its discretion, and subject to the terms of the Plan.

4.2 All Options granted under this Plan will be evidenced by an Award Agreement in the form approved by the Board from time-to-time, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms and any pre-vesting exercise rights, if any, and the Exercise Price.

Options Not Exercised

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

Option Price

4.4 The Option Price for each grant of an Option under this Plan shall be determined by the Board and shall be specified in the Award Agreement. The Exercise Price of an Option shall also be determined by the Board at the time such Option is allocated under this Plan, and cannot be less than the Discounted Market Price (as defined in the policies of the TSXV), provided that, if the Company does not issue a news release to announce the grant and the exercise price of an Option, the Discounted Market Price is the last closing price of the Common Shares before the date of grant of the Option less the applicable discount. A minimum exercise price cannot be established unless the Options are allocated to particular Persons.

Term of Option

4.5 Subject to Section 3.10, an Option can be exercisable for a maximum of 10 years from the Grant Date subject to extension where the expiry date falls within a Blackout Period, as provided for in Section 3.10.

Option Amendment

4.6 Subject to Section 2.5(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture and the date of the last amendment of the Exercise Price.

4.7 An Option must be outstanding for at least one year before the Company may extend its term, subject to Section 4.5 and the limits contained in Section 3.1.

4.8 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

4.9 Subject to Section 4.10, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under this Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

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

(b) the Service Provider remaining as a Director of the Company or any of its subsidiary during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

4.10 Notwithstanding Section 4.9, Options granted to Consultants conducting Investor Relations Activities will vest:

(a) over a period of not less than 12 months such that:

   (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;

   (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;

   (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and

   (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

(b) such longer vesting period as the Board may determine.

Effect of Take Over Bid

4.11 If a Take Over Bid is made to the shareholders generally then the Board will have the discretion, upon receipt of notice of the Take Over Bid, to determine to accelerate the vesting of outstanding Options and notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding Section 4.9 and Section 4.10 or any vesting requirements set out in the Option Agreement, but subject to ARTICLE 11, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies and subject to any additional limitations imposed by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

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

(a) in the case of the death of an Optionee, any vested Option held by the Optionee at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, or, if earlier, upon the Expiry Date for the Option and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and

(c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Restrictions on Share Transferability.

4.13 The Board may impose such restrictions on any Common Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Common Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed and/or traded.

Non Assignable

4.14 Subject to Section 4.12, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable or be pledged or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

ARTICLE 5
COMMITMENT AND EXERCISE PROCEDURES OF STOCK OPTIONS

Award Agreement

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

Manner of Exercise

5.2 An Optionee who wishes to exercise an Option may do so by delivering:

(a) a written notice to the Company or by complying with any alternative procedures which may be authorized by the Board specifying the number of Optioned Shares being acquired pursuant to the Option; and

(b) full payment for the aggregate Exercise Price for the Optioned Shares being acquired, subject, if applicable, to Section 5.3, plus any required withholding tax amount subject to Section 5.4 by (i) a certified cheque, wire transfer or bank draft payable to the Company; or (ii) by any other method approved or accepted by the Board in its sole discretion subject to the rules of the TSX Venture and such rules and regulations as the Board may establish.

Exercise of Options

5.3 Options granted under ARTICLE 4 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Board shall in each instance approve, which need not be the same for each grant or for each Participant. Without limiting the foregoing, the Board may, in its sole discretion, permit the exercise of an Option through either:

(a) a cashless exercise (a "**Cashless Exercise**") mechanism in accordance with Policy 4.4 - *Security Based Compensation* of the TSXV; or

(b) a net exercise (a "**Net Exercise**") mechanism, whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Common Shares that is the equal to the quotient obtained by dividing:

(i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options; by

(ii) the VWAP of the underlying Common Shares.

Notwithstanding the foregoing, in the case of a U.S. Participant, the number of Common Shares delivered to the Participant in connection with a Net Exercise will in no event be greater than the number of Common Shares that is equal to the quotient obtained by dividing:

(i) the product of the number of Options being exercised multiplied by the difference between the Fair Market Value (within the meaning of Section 11.3) of a Share as of the exercise date and the exercise price of the subject Options; by

(ii) the Fair Market Value (within the meaning of Section 11.3) of a Share as of the exercise date.

Tax Withholding and Procedures

5.4 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law, including, but not limited to, the procedures and conditions set out in Section 11.23. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in Section 5.2 and elsewhere in this Plan, and as a condition of exercise:

(a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or

(b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded,

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

Delivery of Optioned Shares

5.5 As soon as practicable after receipt of the notice of exercise described in Section 5.3 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. The same process shall apply for delivery of other Awards.

ARTICLE 6
RESTRICTED SHARE UNITS

Grant of Restricted Share Units

6.1 Subject to the terms and conditions of the Plan, the Board, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Board shall determine.

Restricted Share Unit Agreement

6.2 Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, and any such other provisions as the Board shall determine, provided that, no Restricted Share Unit shall vest (i) earlier than one year, or (ii) later than three years, after the date of grant, except that the Board may in its sole discretion accelerate the vesting required by this Section 6.2 for a Participant who dies or who ceases to be an eligible Participant under the Plan in connection with a Change of Control. The vesting of Restricted Share Units shall be subject to satisfaction of Performance Goals or other vesting condition set out in the Award Agreement.

Non-transferability of Restricted Share Units

6.3 The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated or disposed of by the Participant, whether voluntarily or by operation of law, otherwise than by testate succession or the laws of descent and distribution, until the end of the applicable Period of Restriction specified in the Award Agreement and until the date of settlement through delivery or other payment, and any attempt to do so will cause such Restricted Share Units to be null and void. A vested Restricted Share Unit shall be redeemable only by the Participant and, upon the death of a Participant, the person to whom the rights shall have passed by testate succession or by the laws of descent and distribution may redeem any vested Restricted Share Units in accordance with the provisions of Section 9.6.

Other Restrictions

6.4 The Board shall impose, in the Award Agreement at the time of grant or anytime thereafter, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to this Plan as it may deem advisable, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Restricted Share Unit, restrictions based upon the achievement of specific performance criteria, time- based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed or traded, or holding requirements or sale restrictions placed on the Common Shares by the Company upon vesting of such Restricted Share Units.

ARTICLE 7
DEFERRED SHARE UNITS

Grant of Deferred Share Units

7.1 Subject to the terms and conditions of the Plan, the Board, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Board shall determine, provided that, no Deferred Share Unit shall vest earlier than one year after the date of grant, except that the Board may in its sole discretion accelerate the vesting required by this Section 7.1 for a Participant who dies or who ceases to be an eligible Participant under the Plan in connection with a Change of Control.

Deferred Share Unit Agreement

7.2 Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Board shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which the Common Shares are listed or traded, or holding requirements or sale restrictions placed on the Common Shares by the Company upon vesting of such Deferred Share Units.

Non-transferability of Deferred Share Units

7.3 The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant’s lifetime only to such Participant.

Termination of Employment, Consultancy or Directorship

7.4 Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant’s employment or other relationship with the Company or any of its subsidiary. Such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination. Any settlement or redemption of any Deferred Share Units shall occur within one year following the Termination Date.

ARTICLE 8
PERFORMANCE SHARE UNITS

Grant of Performance Share Units

8.1 Subject to the terms and conditions of the Plan, the Board, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Board shall determine, provided that, no Performance Share Units shall vest earlier than one year after the date of grant, except that the Board may in its sole discretion accelerate the vesting required by this Section 8.1 for a Participant who dies or who ceases to be an eligible Participant under the Plan in connection with a Change of Control.

Value of Performance Share Units

8.2 Each Performance Share Unit shall have an initial value equal to the FMV of a Common Share on the date of grant. The Board shall set Performance Goals for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Board and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

Earning of Performance Share Unit

8.3 Subject to the terms of this Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria or Performance Goals have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Common Shares received pursuant to such Award for a specified period of time.

Form and Timing of Payment of Performance Share Units

8.4 Payment of vested Performance Share Units shall be as determined by the Board and as set forth in the Award Agreement. Subject to the terms of the Plan, the Board will pay vested Performance Share Units in the form of Common Shares issued from treasury equal to the value of the vested Performance Share Units at the end of the applicable Performance Period. Any Common Shares may be issued subject to any restrictions deemed appropriate by the Board.

Non-transferability of Performance Common Shares and Performance Share Units

8.5 Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

ARTICLE 9
GENERAL PROVISIONS APPLICABLE TO NEW SECURITY BASED COMPENSATION

Establishing Performance Goals

9.1 At the time a grant of a New Security Based Compensation is made, the Board may, if applicable, in its sole discretion, establish Performance Goals for the vesting of the security based compensation as may be specified by the Board in the Award Agreement. The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Goals, and may exercise its discretion to reduce the amounts payable under any New Security Based Compensation subject to Performance Goals. The Board may determine that a New

Security Based Compensation shall vest in whole or in part upon achievement of any one Performance Goal or that two or more Performance Goals must be achieved prior to the vesting of such New Security Based Compensation. Performance Goals may differ for New Security Based Compensations granted to any one Participant or to different Participants.

9.2 To the extent deemed appropriate by the Board, the Company may retain the certificates representing Common Shares delivered in settlement of the New Security Based Compensation, in the Company's possession until such time as all conditions and/or restrictions applicable to such Common Shares have been satisfied or lapse.

Account

9.3 The New Security Based Compensation issued pursuant to this Plan may be credited to a notional account maintained for each Participant by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Participant's account will be sent by the Company upon request of the Participant.

Dividends and Other Distributions

9.4 During the Period of Restriction, Participants holding New Security Based Compensation granted hereunder may, if the Board so determines, be credited with dividends paid with respect to the underlying Common Shares or Dividend Equivalents while they are so held in accordance with the Plan and otherwise in such a manner determined by the Board in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement and if specifically provided for in the Award Agreement shall be subject to the Plan and such other terms and conditions set forth in the Award Agreement as the Board shall determine. The Board may apply any restrictions to the dividends or Dividend Equivalents that the Board deems appropriate including accrual, forfeiture or payout restrictions. The Board, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Common Shares and New Security Based Compensation, provided that any Dividend Equivalents paid in the form of additional New Security Based Compensation shall reduce the applicable pool of Common Shares available for issuance of New Security Based Compensation. Further, any additional New Security Based Compensation credited to the Participant's account in satisfaction of payment of dividends or Dividend Equivalents will vest in proportion to and will be paid under the Plan in the same manner as the New Security Based Compensation to which they relate.

9.5 Notwithstanding the foregoing, the aggregate number of New Security Based Compensation to be credited in respect of the payment of a dividend amount must not, together with all outstanding New Security Based Compensation, exceed the Plan maximum set out in Section 3.1 and Section 3.4. The issuance of any New Security Based Compensation under this Section that, together with all outstanding New Security Based Compensation, exceed the Plan maximum set out in Section 3.1 and Section 3.4 shall be satisfied by the payment of cash to the Participant by the Company.

Death and other Termination of Employment.

9.6

(a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or any of its subsidiary:

(i) any New Security Based Compensation held by the Participant that have not vested as at the Termination Date (as defined at Section 9.6(c) below) shall vest immediately;

(ii) any New Security Based Compensation held by the Participant that have vested (including New Security Based Compensation vested in accordance with Section 9.6(a)(i)) as at the Termination Date (as defined at Section 9.6(c) below), shall be paid to the Participant's estate in accordance with the terms of the Plan and Award Agreement; and

(iii) such Participant's eligibility to receive further grants of New Security Based Compensation under the Plan ceases as of the Termination Date.

(b) Termination other than Death: Unless determined otherwise by the Board, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:

(i) any New Security Based Compensation held by the Participant that have vested before the Termination Date (as defined at Section 9.6(c) below) shall be paid to the Participant. Any New Security Based Compensation held by the Participant that are not yet vested at the Termination Date (as defined at Section 9.6(c) below) will be immediately cancelled and forfeited to the Company on the Termination Date;

(ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or any of its subsidiary provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date;

(iii) notwithstanding Section 9.6(b)(i), unless the Board, in its sole discretion, otherwise determines, at any time and from time to time, New Security Based Compensation is not affected by a change of employment arrangement within or among the Company or any of its subsidiary for so long as the Participant continues to be an employee of the Company or any of its subsidiary; and

(iv) Any settlement or redemption of any New Security Based Compensation shall occur within one year following the Termination Date.

(c) For purposes of this Agreement, the term, **"Termination Date"** means, in the case of a Participant whose employment or term of office or engagement with the Company or any of its subsidiary terminates:

(i) by reason of the Participant's death, the date of death;

(ii) by reason of termination for Cause, resignation by the Participant, the Participant's last day actively at work for or actively engaged by the Company or any of its subsidiary;

(iii) for any reason whatsoever other than death, termination for cause, the later of the (A) date of the Participant's last day actively at work for or actively engaged by the Company or any of its subsidiary, and (B) the last date of the Notice Period; and

(iv) the resignation of a Director and the expiry of a Director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of his or her term of office.

(d) Notwithstanding any other provision in this Section 9.6, any New Security Based Company granted to a U.S. Participant that is subject to, and not exempt from, Section 409A of the Code will be settled or redeemed in a manner that is consistent with the requirements of Section 409A of the Code.

Payment in Settlement of New Security Based Compensation

9.7 Subject to the terms of this Plan and, in particular, Section 9.8 of this Plan, when and if New Security Based Compensation become payable the Company, in its discretion and as may be determined by the Board, will pay out vested New Security Based Compensation issued under this Plan and credited to the account of a Participant by paying or issuing (net of any applicable withholding tax) to such Participant an award payout ("**Award Payout**") of either:

(i) subject to receipt of Regulatory Approvals, one Common Share for such whole vested New Security Based Compensation. Each Common Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable; or

(ii) a cash amount equal to the Fair Market Value of such vested New Security Based Compensation,

provided, notwithstanding the foregoing, the Fair Market Value must not be less than the Discounted Market Price as at the Grant Date of the New Security Based Compensation.

Tax Matters and Applicable Withholding Tax

9.8 The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Participants of New Security Based Compensation, or payments received by Participants pursuant to this Plan. The Company or any of its subsidiary, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold ("**Applicable Withholding Tax**"), in such manner (including, without limitation, by selling Common Shares otherwise issuable to Participant holding Restricted Share Unit, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or any of its subsidiary, as applicable, may require Participants, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or any of its subsidiary, as applicable, respecting the payment by such Participant of applicable income or other taxes.

9.9 To the extent applicable, any Awards granted under the Plan, including the U.S. Sub-Plan, are intended to be exempt from or compliant with Section 409A of the Code, and the Plan will be interpreted and administered in accordance with this intent. Notwithstanding anything to the contrary in the Plan, if an Award that constitutes "deferred compensation" under Section 409A of the Code becomes payable to a "specified employee" on account of his or her “separation from service” (within the meaning of Section 409A of the Code), then no distribution or payment in respect of the Award will be issued or paid before the date that is six (6) months following the date of the Participant's separation from service or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule. Notwithstanding any other provision of this Plan or an Award Agreement, neither the Company nor its Affiliates make any representation that any Awards granted under the Plan are exempt from or compliant with Code Section 409A, and neither the Company nor its Affiliates will be liable to any Participant or any other Person for any adverse tax consequences under Code Section 409A or any other provision of the Code.

ARTICLE 10

GENERAL PROVISIONS

Employment and Services

10.1 Nothing contained in this Plan will confer upon or imply in favour of any Service Provider any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company or any of its subsidiary to lawfully terminate the Service Provider’s office, employment or service at any time pursuant to the arrangements pertaining to same.

Participation

10.2 Participation in this Plan by a Service Provider is voluntary. No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

No Representation or Warranty

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

Rights as a Common Shareholder

10.4 A Participant shall have none of the rights of a shareholder with respect to Common Shares covered by any Award (including, without limitation, voting rights, dividend entitlement or rights on liquidation) until the Participant becomes the record holder of such Common Shares other than an accrual of dividends in compliance with the Plan and as accepted by the Exchange. Participants that are holders of Awards will not, as such, be entitled to receive notice of or to attend any shareholders’ meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Common Shares or other securities of the Company, and will not be considered the owner of Common Shares by virtue of such issuance of the Awards.

No Notification Obligations

10.5 The Company will be under no obligation to notify a Participant of the date an Option will expire and, if an Option is designated as an Incentive Stock Option, the date the Option will cease to qualify as an Incentive Stock Option.

No Other Benefit

10.6 No amount will be paid to, or in respect of, a Restricted Share Unit, deferred Unit to Performance Share Unit under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose

Interpretation

10.7 This Plan, including, for greater certainty, the U.S. Sub-Plan, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of the Province of Ontario and Canadian federal law.

10.8 Each party irrevocably agrees that the courts of the Province of Ontario shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with, this Plan, including, for greater certainty, the U.S. Sub-Plan, or its subject matter or formation (including non-contractual disputes or claims).

Amendment of the Plan

10.9 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate this Plan with respect to all Common Shares in respect of Awards that have not yet been granted hereunder. Any amendment to any provision of this Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

ARTICLE 11
SUB-PLAN FOR U.S. PARTICIPANTS

Purpose and Applicability

11.1 This Sub-Plan applies to the grant of Options to Service Providers who are either U.S. residents or U.S. taxpayers (each such Service Provider who is granted an Option under the Plan and this U.S. Sub-Plan, a **"U.S. Participant"**). The purpose of this U.S. Sub-Plan is to facilitate compliance with U.S. tax, securities and other applicable laws, and to permit the Company to issue tax-qualified Incentive Stock Options (defined below) to eligible U.S. Participants.

11.2 Except as otherwise provided by this U.S. Sub-Plan, all Option grants made to U.S. Participants will be governed by the terms of the Plan, when read together with this U.S. Sub-Plan. In any case of an irreconcilable contradiction (as determined by the Board) between the provisions of this U.S. Sub-Plan and the Plan, the provisions of this U.S. Sub-Plan will govern and supersede any such contradiction unless explicitly provided otherwise in this U.S. Sub-Plan. Notwithstanding the foregoing, this U.S. Sub-Plan shall be subject to the limitations set out in Section 3.1 and Section 3.4and in no event shall Options be granted pursuant to this U.S. Sub-Plan in contravention of Section 3.1 and Section 3.4.

Definitions

11.3 Capitalized terms contained herein have the same meanings given to them herein, unless otherwise provided in this ARTICLE 11. In this ARTICLE 11 and as used elsewhere in the Plan (except where the context requires otherwise), the following words will have the meaning as defined below:

(a) "**Disability**" means the inability of a U.S. Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(b) **"Exchange"** means the TSX Venture and any other stock exchange or stock quotation system on which the Common Shares trade.

(c) **"Fair Market Value"** means, as of any date, the value of the Common Shares, determined as follows:

(i) if the Common Shares are listed on the TSX Venture, the Fair Market Value shall be the last closing sales price for such shares as quoted on the TSX Venture for the market trading day immediately prior to the date of grant of the Option;

(ii) if the Common Shares are listed on an Exchange other than the TSX Venture, the Fair Market Value shall be the closing sales price of such shares (or the closing bid, if no sales were reported) as quoted on such Exchange for the market trading day immediately prior to the time of determination; and

(iii) if the Common Shares are not listed on an Exchange, the Fair Market Value shall be determined in good faith by the Board, where Fair Market Value with respect to

Options granted pursuant to this U.S. Sub-Plan shall be determined by the Board to be the value of an ordinary fully paid Common Share, determined by the Board in compliance with Section 409A of the Code or, in the case of an Incentive Stock Option, in compliance with Section 422 of the Code.

(d) "**Family Members**" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the U.S. Participant, any person sharing the U.S. Participant's household (other than a tenant or employee), a trust in which these persons (or the U.S. Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the U.S. Participant) control the management of the assets, and any other entity in which these persons (or the U.S. Participant) own more than 50% of the voting interests.

(e) "**Incentive Stock Option**" or "**ISO**" means a stock option that is intended to be, and qualifies as, an incentive stock option within the meaning of Section 422 of the Code.

(f) "**Nonstatutory Stock Option**" or "**NSO**" means a stock option granted to a U.S. Participant that does not qualify as an Incentive Stock Option.

(g) "**Subsidiary**" means a corporation, whether now or hereafter existing, in an unbroken chain of corporations beginning with the Company, if each corporation other than the last corporation in the unbroken chain owns shares possessing 50% or more of the total combined voting power of all classes of shares in one of the other corporations in such chain, as provided in the definition of a "subsidiary corporation" contained in Section 424(f) of the Code.

(h) "**U.S.**" means the United States of America.

(i) **"U.S. Consultant**" means a person, excluding employees, who performs bona fide services for the Company or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the U.S. Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the U.S. Securities Act;.

(j) **"U.S. Participant"** has the meaning ascribed thereto in Section 11.1.

(k) **"U.S. Securities Act**" means the U.S. Securities Act of 1933, as amended.

11.4 **Additional Terms and Conditions Applicable to All Options Granted to U.S. Participants Maximum Shares Issuable to U.S. Participants**. For greater certainty, the maximum aggregate number of Common Shares that may be issued upon the exercise of Options granted under this Plan, including the U.S. Sub-Plan is, in the aggregate, 10% of the Outstanding Shares at the time of any Option grant, subject to compliance with the limitations provided under Section 3.4 of the Plan. Subject to Section 3.4 of the Plan and adjustment in accordance with Section 3.123.12 of the Plan and Section 424 of the Code, the maximum number of Common Shares that may be issued under the Plan pursuant to Incentive Stock Options will be equal to the lesser of (a) 10% of the Outstanding Shares as of the Effective Date, or (b) the otherwise applicable limit under the Plan as of the relevant Grant Date on the number of Common Shares that may be issued pursuant to Options.

11.5 **Form of Option.** Options for U.S. Participants shall be in substantially the form approved for use under the Plan. At the time of grant of the Option, the Board shall indicate if all or a portion of the Option is designated as an Incentive Stock Option. If an Option is not specifically designated as an Incentive Stock Option, then the Option shall be a Nonstatutory Stock Option.

11.6 **Eligibility**. Incentive Stock Options may be granted only to Service Providers who are employees of the Company or a Subsidiary in accordance with the Code. Nonstatutory Stock Options may be granted to any Service Provider, provided that Service Providers who are U.S. Participants and render services as U.S. Consultants or independent contractors (as classified under applicable U.S. law) shall be natural persons and otherwise meet the requirements of Rule 701 of the U.S. Securities Act.

11.7 **Maximum Term of Options**. Subject to Section 3.10 and Section 11.18 regarding Incentive Stock Options granted to certain major stockholders, no Option granted to a U.S. Participant will be exercisable after the expiration of ten (10) years from the Grant Date, or such shorter period specified in the Option or otherwise determined by the Board.

11.8 **Exercise Price**. Subject to: (i) the provisions of Section 11.18 regarding Incentive Stock Options granted to certain major stockholders; and (ii) the minimum price requirement set out in Section 4.4, the exercise price of each Option granted to a U.S. Participant will be not less than one hundred percent (100%) of the Fair Market Value of the Common Shares subject to the Option on the date the Option is granted.

11.9 **No Right to Employment or Other Status**. No person shall have any claim or right to be granted an Option under this U.S. Sub-Plan, and the grant of an Option shall not be construed as giving a U.S. Participant the right to continued employment or any other service relationship with the Company.

11.10 **Vesting and Exercise of Options**. Options granted to U.S. Participants shall vest in accordance with the terms of the Option provided in the applicable Option Agreement, and shall have a term and may be exercised following termination in accordance with the Plan, this U.S. Sub-Plan and the applicable Option Agreement, provided that in no event may any Option be exercised later than the tenth (10th) anniversary of the relevant Grant Date.

11.11 **Conditions on Delivery of Common Shares**. The Company will not be obligated to deliver any Common Shares pursuant to this U.S. Sub-Plan or to remove restrictions from Common Shares previously delivered under this U.S. Sub-Plan until:

(a) all conditions of the Option have been met or removed to the satisfaction of the Company;

(b) in the opinion of the Company's counsel, all other legal matters in connection with the issue, allotment and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations; and

(c) the U.S. Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

11.12 **Early Exercise of Options**. An Option may, at the Board's discretion, include a provision whereby the U.S. Participant may elect at any time before the U.S. Participant has left his/her/their employ/office or has been advised by the Company that his/her/their services are no longer required or his/her/their service contract has expired to exercise the Option as to any part or all of the Common Shares subject to the Option prior to the full vesting of the Option. Any unvested Common Shares so purchased may be subject to a repurchase right in favor of the Company or to any other restriction the Board determines to be appropriate, subject to the "Repurchase Limitation" described in Section 11.13. Provided that the "Repurchase Limitation" in Section 11.13 is not violated, the Company will not be required to exercise its repurchase right until at least six months (or such longer or shorter period of time required to avoid classification of the Option as a liability for financial accounting purposes) have elapsed following the exercise of the Option unless the Board otherwise specifically provides in the applicable Option Agreement.

11.13 **Repurchase Limitation**. The terms of any repurchase right in favor of the Company will be specified in the applicable Option Agreement and shall be subject in all respects to the TSX Venture Policies. The repurchase price for vested Common Shares will be the Fair Market Value of the Common Shares on the date of repurchase. The repurchase price for unvested Common Shares will be the lower of: (a) the Fair Market Value of the Common Shares on the date of repurchase; and (b) the Exercise Price paid by the U.S. Participant for such Common Shares. However, to the extent necessary to avoid classification of the vested Common Shares as a liability for financial accounting purposes and, to the extent applicable, only if permitted by the TSX Venture Policies, the Company will not exercise its repurchase right until at least six months (or such longer or shorter period of time necessary to avoid classification of the vested Common Shares as a liability for financial accounting purposes) have elapsed following delivery of shares of Common Stock subject to the Option, unless otherwise specifically provided by the Board.

11.14 **Transferability.** Except as set forth in this Section 11.14and subject to compliance with the TSX Venture Policies, prior to exercise, Options and Common Shares issuable upon exercise of such Options, may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner (including any "short position", any "put equivalent position" or "call equivalent position" (as defined in Rule 16a-1 of the U.S. Securities Exchange Act of 1934, as amended)) other than by will or by the laws of descent or distribution. The designation of a beneficiary by a U.S. Participant will not constitute a transfer. An Option and, prior to exercise, the Common Shares to be issued on exercise of such Option, may not be transferred and may be exercised, during the lifetime of the holder of the Option, only by such holder or a transferee permitted by this Section 11.14. Notwithstanding anything else in this Section 11.14 or the Plan to the contrary but subject to compliance with the TSX Venture Policies, to the extent permitted by applicable law, the Board may in its sole discretion grant Nonstatutory Stock Options that may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to Family Members.

11.15 **Additional Board Administration Authority**. In addition to the authority granted to the Board under Section 2.1, with respect to U.S. Participants the Board shall also have the authority to: (a) determine the Fair Market Value of the Common Shares in accordance with the definition of Fair Market Value as set forth in Section 11.3; (b) approve the form(s) of Option Agreement(s) and other related documents used under the Plan and this U.S. Sub-Plan; (c) subject to the terms of the Plan and this U.S. Sub-Plan, determine the terms and conditions of any Option, which terms and conditions include but are not limited to the Exercise Price, the time or times when Options may be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or forfeiture restrictions will be waived, and any restriction or limitation regarding any Option; (d) subject to the terms of the Plan and this U.S. Sub-Plan and the TSX Venture Policies, to amend any outstanding Option or

Option Agreement, including any amendment adjusting vesting (e.g., in connection with a change in the terms or conditions under which such person is providing services to the Company or a Subsidiary), provided that no amendment shall be made that would materially and adversely affect the rights of any U.S. Participant without his or her consent; (e) subject to the terms of the Plan and this U.S. Sub-Plan and the TSX Venture Policies, offer to buy out for a payment in cash or Common Shares an Option previously granted under the Plan based on such terms and conditions as the Board shall establish and communicate to the U.S. Participant at the time that such offer is made; and (f) to construe and interpret the terms of this U.S. Sub-Plan and any Option granted under the Plan and this U.S. Sub-Plan.

Additional Provisions Applicable to Incentive Stock Options

11.16 **Eligible Recipients of ISOs.** Incentive Stock Options may be granted only to Service Providers that are Employees of the Company or a Subsidiary.

11.17 **Designation of ISO Status.** The Board action approving the grant of an Incentive Stock Option to a U.S. Participant must specify that the Option is intended to be an Incentive Stock Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The Company shall have no liability to a U.S. Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or for any action taken by the Board to amend, modify or terminate the Plan, this U.S. Sub-Plan or any Option, including without limitation, the conversion of an Incentive Stock Option to a Nonstatutory Stock Option.

11.18 **Limits for 10% Stockholders.** A person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary, will not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the Grant Date and the Option is not exercisable after the expiration of five (5) years from the Grant Date.

11.19 **No Transfer.** As provided by Section 422(b)(5) of the Code, and if permitted by the Plan, an Incentive Stock Option will not be transferable except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the U.S. Participant only by the U.S. Participant or the U.S. Participant's guardian or legal representative. If permitted by the TSX Venture Policies, and the Board elects to allow the transfer of an Option by a U.S. Participant that is designated as an Incentive Stock Option, such transferred Option will automatically become a Nonstatutory Stock Option.

11.20 **U.S. $100,000 Limit.** As provided by Section 422(d) of the Code and applicable regulations thereunder, to the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Shares with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Participant during any calendar year (under all plans of the Company and any Subsidiary) exceeds US$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option.

11.21 **Post-Termination Exercise Period.** To obtain the U.S. federal income tax advantages associated with an Incentive Stock Option, the U.S. Internal Revenue Code requires that at all times beginning on the Grant Date and ending on the day three (3) months before the date of exercise of the Option, the U.S. Participant must be an employee of the Company or a Subsidiary (except in the event of the U.S. Participant's death or Disability, in which case longer periods apply).

11.22 **Disqualifying Disposition.** If a U.S. Participant disposes of Common Shares acquired upon exercise of an Incentive Stock Option within two years from the Grant Date or one year after such Common Shares were acquired pursuant to exercise of such Option, the U.S. Participant shall notify the Company in writing of such disposition.

Tax Matters

11.23 **Tax Withholding Requirement.** In addition to the rights and powers set out under Section 5.4, prior to the delivery of any Common Shares pursuant to the exercise of an Option, the Company will have the power and the right to deduct or withhold, or require a U.S. Participant to remit to the Company, an amount sufficient to satisfy any U.S. federal, state, local, foreign or other taxes (including the U.S. Participant's Federal Insurance Contributions Act obligations) required to be withheld with respect to such Option.

Shareholder Approval

11.24 In addition to any shareholder approval requirements under the TSX Venture Policies, continuance of this U.S. Sub-Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date this U.S. Sub-Plan is adopted by the Board. Any Common Shares purchased under this U.S. Sub-Plan before shareholder approval is obtained must be rescinded if shareholder approval is not obtained within twelve (12) months before or after the date this U.S. Sub-Plan is adopted by the Board.

Term, Amendment and Termination of the U.S. Sub-Plan

11.25 No Options may be granted under this U.S. Sub-Plan while either the Plan or this U.S. Sub-Plan is suspended or after the Plan or this U.S. Sub-Plan is terminated (but Options previously granted under this U.S. Sub-Plan may extend beyond that date).

11.26 If this U.S. Sub-Plan is terminated, the provisions of this U.S. Sub-Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of suspension or termination of this U.S. Sub-Plan, will continue to apply to any outstanding Options as long as an Option issued pursuant to this U.S. Sub-Plan remain outstanding.

11.27 No amendment, suspension or termination of this U.S. Sub-Plan may materially adversely affect any Options granted previously to any U.S. Participant without the consent of the U.S. Participant.

Amendment of Options

11.28 Subject to compliance with the TSX Venture Policies, the Board may amend, modify or terminate any outstanding Option granted to a U.S. Participant, including but not limited to, substituting therefor another Option of the same or different type, changing the date of exercise or realization, accelerating the vesting, and converting an Incentive Stock Option to a Nonstatutory Stock Option, provided that the U.S. Participant's consent to such action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the U.S. Participant.

Invalid Provisions

11.29 In the event that any provision of this U.S. Sub-Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein. If at any time the Company determines that the delivery of Common Shares or the granting of an Option under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or U.S. federal or state securities laws, the right to receive or exercise an Option or receive Common Shares purchased pursuant to exercising an Option shall be suspended until the Company determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Shares under U.S. federal or state securities laws.

Securities Law Matters

11.30 Options may not be issued to U.S. Participants under the Plan unless the issuance and delivery of these Options comply with (or are exempt from) all applicable requirements of law, including (without limitation) the U.S. Securities Act, the rules and regulations promulgated under it, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities then may be traded. It is the intention of the Board that unless the Shares becomes publicly traded, the Plan and all Options issued to U.S. Participants thereunder comply and are administered in accordance with Rule 701 of the U.S. Securities Act.

Shares issued to U.S. Participants pursuant to any Options shall be certificated and affixed with an applicable restrictive legend as set forth below:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, OR (B) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS".

California Participants

11.31 A U.S. Participant located in California shall receive Nonstatutory Stock Options and Incentive Stock Options that comply also with the California Terms and Conditions attached hereto as **<u>Appendix "A"</u>**.

APPENDIX A

California Terms and Conditions

Capitalized terms contained herein have the same meanings given to them in the Plan to which this ***Appendix "A"*** *is attached.*

1. Applicability of this Appendix "A". Securities of the Company (**"Securities"**) granted under the U.S. Sub-Plan that are granted to U.S. Participants resident in California ("**California Participants**") shall be subject to the additional requirements of this **Appendix "A".** In the event of any conflict or inconsistency between the provisions of this **Appendix "A"** and the Plan and/or the U.S. Sub Plan, the provisions of this **Appendix "A"** shall control.

2. Securities Law Compliance. A person shall not be eligible for the grant of a Security if, at the time of grant, either the offer or the sale of the Company's securities to such person is not exempt under Rule 701 of the U.S. Securities Act because of the nature of the services that the person is providing to the Company and/or any Affiliate, or because such person is not a natural person, or as otherwise provided by Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the U.S. Securities Act, as well as comply with the securities laws of all other relevant jurisdictions.

3. Termination of Employment. In the event a California Participant's employment or service with the Company or a Subsidiary terminates (other than upon the California Participant's death or Disability), the California Participant shall have at least 30 days after termination of employment to exercise the California Participant's Option (to the extent that the California Participant was entitled to exercise such Option as of the date of termination), or, if earlier, until the expiration of the term of the Option as set forth in the applicable agreement. If, after termination, the California Participant does not exercise the California Participant's Option within the time specified in the applicable agreement, the Option shall terminate.

4. Disability of Participant. In the event that a California Participant's employment or service with the Company or a Subsidiary terminates as a result of the California Participant's Disability, the California Participant shall have at least six months to exercise the Participant's Option (to the extent that the California Participant was entitled to exercise such Option as of the date of termination), or, if earlier, until the expiration of the term of the Option as set forth in the applicable agreement. If, after termination, the California Participant does not exercise the California Participant's Option within the time specified herein, the Option shall terminate.

5. Death of Participant. In the event: (i) a California Participant's employment or service with the Company or a Subsidiary terminates as a result of the California Participant's death; or (ii) the California Participant dies within the post-termination exercise period (if any) specified in the Option after the termination of the California Participant's employment for a reason other than death, then the Option shall be exercisable (to the extent the California Participant was entitled to exercise such Option as of the date of death) by the California Participant's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the Option upon the California Participant's death for at least six (6) months following the date of death or, if earlier, until the expiration of the term of such Option as set forth in the

applicable agreement. If, after death, the Option is not exercised within the time specified herein, the Option shall terminate.

6. Expiration Date. Notwithstanding anything stated herein to the contrary, no Option shall be exercisable on or after the 10th anniversary of the Grant Date.

7. Adjustments. In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Common Shares without the receipt of consideration by the Company, the number of Common Shares covered by, and the exercise price of, each Option will, without further action of the Company, by proportionally adjusted to reflect such event, and the Company shall make such other adjustments as may be required by Section 25102(o) of the California Corporations Code.

8. Information. The Company shall furnish summary financial information (audited or unaudited) of the Company's financial condition and results of operations, consistent with the requirements of applicable laws, at least annually to each California Participant during the period such California Participant has one or more Options outstanding, and in the case of an individual who acquired Common Shares pursuant to the Plan, during the period such California Participant owns such Common Shares; provided, however, the Company shall not be required to provide such information if: (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information; or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the U.S. Securities Act; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

9. Shareholder Approval. In addition to any shareholder approval requirements under the TSX Venture Policies, shareholders representing a majority of the Company's outstanding securities entitled to vote must approve the Plan (including the U.S. Sub-Plan and this Appendix A) by the later of (a) 12 months after the date the Plan is adopted or (b) 12 months after the granting of any Option to a California Participant.

10. Section 25102(o). This **Appendix "A"** is intended to comply with Section 25102(o) of the California Corporations Code ("**Section 25102(o)**"). Any provision of the Plan or the U.S. Sub-Plan that is inconsistent with Section 25102(o), including without limitation any provision of the Plan or the U.S. Sub-Plan that is more restrictive than would be permitted by Section 25102(o), shall, without further act or amendment by the Company, by reformed to comply with the provisions of Section 25102(o).