

WHATCOM CAPITAL II CORP.
STOCK OPTION PLAN

1. Objectives

The Plan is intended as an incentive to attract and retain qualified Directors, senior officers, Employees, and Consultants of the Company and its Affiliates, to promote a proprietary interest in the Company and its Affiliates among such persons, and to stimulate the active interest of such persons in the development and financial success of the Company and its Affiliates.

2. Definitions

2.1 As used in the Plan, the terms set forth below shall have the following respective meanings:

- (a) **“Affiliate”**, when referring to the relationship between two companies, means that one of them is the subsidiary of the other, or each of them is controlled by the same person or entity;
- (b) **“Black-Out Period”** means that period during which a trading black-out period is imposed by the Company to restrict trades in the Company’s securities by an Optionee or Permitted Assign;
- (c) **“Board”** means the board of directors of the Company;
- (d) **“Cause”** means: (i) in the case of an Employee (1) cause as such term is defined in the written employment agreement with the Employee or if there is no written employment agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the employee is employed; or (2) the termination of employment as a result of an order made by any Regulatory Authority having jurisdiction to so order; (ii) in the case of a Consultant (1) the occurrence of any event which, under the written consulting contract with the Consultant or the common law or the laws of the jurisdiction in which the consultant provides services, gives the Company or any of its affiliates the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order; (iii) in the case of a Director, ceasing to be a Director as a result of (1) ceasing to be qualified to act as a director of a company under section 128 of the *Business Corporations Act* (British Columbia) or equivalent provisions in any replacement legislation; (2) a resolution having been passed under section 128 (3) of the *Business Corporations Act* (British Columbia) or equivalent provisions in any replacement legislation; or (3) an order made by any Regulatory Authority having jurisdiction to so order; or (iv) in the case of an Officer, ceasing to be an Officer as a result of an order made by any Regulatory Authority having jurisdiction to so order;
- (e) **“Change of Control”** means and shall be deemed to have occurred if one of the following events takes place: (i) the Company sells, leases or otherwise disposes of all or substantially all of its assets and undertaking to a Person or a combination of Persons at arm’s length

to the Company and its affiliates, whether pursuant to one or more transactions; (ii) the Company amalgamates or enters into a plan of arrangement with another company at arm's length to the Company and its affiliates, other than an amalgamation or plan of arrangement that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation or plan of arrangement; (iii) any Person or combination of Persons at arm's length to the Company and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect; or (iv) any resolution is passed or any action or proceeding is taken with respect to the liquidation, dissolution or winding-up of the Company;

- (f) **“Committee”** means a committee of the Board that the Board may, in accordance with section 3.1 hereof, designate to administer the Plan, or if no such Committee has been designated or established, the Board;
- (g) **“Company”** means Whatcom Capital II Corp., a company existing under the laws of the Province of British Columbia, and any successor company;
- (h) **“Consultant”** means, in relation to the Company, an individual or Consultant Company, other than an Employee or a Director/Officer of the Company, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;
 - (ii) provides the services under a written contract between the Company of the Affiliate of the Company 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 affairs and business of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (i) **“Consultant Company”** means, for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **“CPC”** means a Capital Pool Company as defined in Policy 2.4 of the TSXV Manual;
- (k) **“Date of Grant”** means the date an Option is granted by the Committee to the Optionee, subject to any Regulatory Authority or other approvals or conditions;

- (l) **“Directors”** means directors of the Company or any subsidiary of the Company;
- (m) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all shareholders of the Company entitled to vote at a shareholders’ meeting, excluding votes attaching to shares of the Company beneficially owned by Insiders to whom Options may be granted under the Plan and associates of such persons;
- (n) **“Employee”** means:
 - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada);
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (o) **“Exchange”** means the TSX Venture Exchange, the Toronto Stock Exchange or any other stock exchange on which the Shares are listed;
- (p) **“Final QT Exchange Bulletin”** has the meaning given to such term in Policy 2.4 of the TSXV Manual;
- (q) **“IPO”** means the initial public offering of the Company as a CPC conducted pursuant to Policy 2.4 of the TSXV Manual;
- (r) **“Insider”** in relation to the Company means:
 - (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or
 - (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares;
- (s) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, except for such activities that the Exchange specifically states to not be Investor Relations Activities;

- (t) **“Management Company Employee”** means an individual employed by an entity providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding an entity engaged in Investor Relations Activities;
- (u) **“Market Price”** in relation to a Share subject to an Option on the Date of Grant of the Option means the last closing price of the Shares on the Exchange before such Date of Grant;
- (v) **“Officers”** means senior officers or Management Company Employees of the Company or any subsidiary of the Company;
- (w) **“Option”** means an option to purchase Shares granted under or subject to the terms of the Plan;
- (x) **“Option Agreement”** means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;
- (y) **“Option Period”** means the period during which an Option may be exercised;
- (z) **“Optionee”** means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;
- (aa) **“Person”** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency or entity however designated or constituted;
- (bb) **“Plan”** means this Stock Option Plan of the Company;
- (cc) **“Qualifying Transaction”** has the meaning given to such term in Policy 2.4 of the TSXV Manual;
- (dd) **“Regulatory Authorities”** means all Exchanges on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company or its securities, this Plan or the Options granted from time to time hereunder;
- (ee) **“Shares”** means common shares without par value in the capital of the Company;
- (ff) **“Termination Date”** means: (i) in the case of an Optionee’s resignation from employment or the termination of the Optionee’s consulting contract by the Optionee, the date that the Optionee provides notice of such resignation or termination to the Company or any of its affiliates; or (ii) in the case of the termination of the Optionee’s employment or consulting contract by the Company or any of its affiliates for any reason (whether such termination is lawful or unlawful) other than death, the date that the Company or any of its affiliates delivers written notice of such lawful or unlawful termination of the Optionee’s employment or consulting contract to the Optionee; or (iii) in the case of the expiry of a

fixed-term employment agreement or consulting contract that is not renewed or extended, the last day of the term; and

- (gg) “**TSXV Manual**” means the Corporate Finance Manual of the TSX Venture Exchange.

3. Administration of the Plan

- 3.1 The Plan shall be administered by the Committee. With respect to Option grants to directors of the Company, the Board shall serve as the Committee. With respect to any other Options, the Board may specifically constitute a committee of directors of the Company as the Board may designate from time to time to serve as the Committee for the Plan, all of the members of which shall be and remain directors of the Company. Notwithstanding the foregoing, the Board may resolve to be the Committee to administer the Plan with respect to all of the Plan or certain participants and/or awards made or to be made under the Plan.
- 3.2 The Board shall have full and exclusive power to interpret the Plan, to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan, and to reserve and issue Shares issuable pursuant to the exercise of Options. The Board may, in its discretion but subject to any necessary approvals of any stock exchange or Regulatory Authorities having jurisdiction over the securities of the Company, provide for the extension of the exercise period of an Option, eliminate or make less restrictive any restrictions contained in an Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either (a) not adverse to the Optionee holding such Option or (b) consented to by such Optionee. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. Any decision of the Committee in the interpretation and administration of the Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Committee shall be liable for anything done or omitted to be done by such member, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under the Plan, except for such member’s own willful misconduct or as expressly provided by statute.
- 3.3 All administrative costs of the Plan shall be paid by the Company.

4. Eligibility

- 4.1 Options may be granted to Employees, Directors/Officers and Consultants (and Consultant Companies as may be permitted by the Exchange) who are in the opinion of the Committee in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates are, in the opinion of the Committee, worthy of special recognition, provided, however, that for the time the Company is a CPC, Options may only be granted to a director or officer of the CPC, and where permitted by applicable

securities legislation, a technical consultant to the Company as described in subsection 6.1 of Policy 2.4 of the TSXV Manual or a company, all of whose securities are owned, directly and indirectly, by such a director, officer or technical consultant. The granting of Options is entirely discretionary and nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and designation of an Optionee in any year shall not require the designation of such person to receive an Option in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amount and terms of their respective Options.

- 4.2 Subject to any applicable Regulatory Authority approvals, Options may also be granted under the Plan in exchange for outstanding options granted by the Company or any predecessor company thereof or any Affiliate thereof, whether such outstanding options are granted under the Plan, under any other stock option plan of the Company or any predecessor company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor corporation or Affiliate thereof.
- 4.3 Subject to any applicable Regulatory Authority approvals, Options may also be granted under the Plan in substitution for outstanding options of another company in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other company and the Company or any of its subsidiaries.

5. Shares Subject to the Plan

- 5.1 Subject to sections 5.2, 5.3 and 5.4, the number of Shares which may be issuable pursuant to the exercise of Options granted under the Plan, together with all of the Company's previously established or proposed share compensation arrangements, shall be a maximum of 10% of the number of issued and outstanding from time to time on a non-diluted basis. Shares issuable pursuant to Options granted under this Plan that have been exercised, cancelled or otherwise terminated shall be available for subsequent grants under the Plan.
- 5.2 No Options may be granted pursuant to this Plan such that the Options issued pursuant to the Plan, together with all of the Company's previously established or proposed share compensation arrangements, could result at any time in:
 - (a) the number of Shares reserved for issuance to be granted to Insiders exceeding 10% of the issued Shares calculated on a non-diluted basis; the grant to Insiders in the aggregate, within a 12-month period, of a number of Options exercisable to purchase more than 10% of the issued Shares; or
 - (b) the issuance to any one Optionee, within a 12-month period, of a number of Shares exceeding 5% of the issued Shares.
- 5.3 If the Shares are listed on the TSX Venture Exchange, the aggregate number of Shares which may be purchased by the exercise of Options granted to Persons employed to provide

Investor Relations Activities must not exceed 2% of the issued Shares in any 12-month period, calculated on the Grant Date, and such Options must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any three month period, provided, however, that for the time that the Company is a CPC, no Options may be granted to any Person conducting Investor Relations Activities or any promotional or market-making services.

- 5.4 The aggregate number of Shares which may be purchased by the exercise of Options granted to any Consultant (including technical consultants) must not exceed 2% of the issued Shares in any 12-month period, calculated on the Grant Date.
- 5.5 The aggregate number of Shares which may be purchased by the exercise of Options granted to any Eligible Charitable Organizations must not exceed 1% of the issued Shares in any 12-month period, calculated on the Grant Date.
- 5.6 For the purposes of this section, the number of Shares issued and outstanding is determined on the basis of the number of Shares that are outstanding immediately prior to the Share issuance in question unless otherwise stated.

6. Price

- 6.1 The exercise price per Share subject to an Option shall be determined by the Committee at the time the Option is granted, provided that the exercise price shall not be less than the Discounted Market Price (as defined in the policies of the Exchange), provided, however, that for the time the Company is a CPC, such exercise price per Share subject to an Option shall not be less than the greater of the IPO share price and the Discounted Market Price.
- 6.2 Subject to applicable Regulatory Authority requirements and approval, the Committee may reprice the prevailing exercise price of an Option. Any reduction in the exercise price of an Option held by an Optionee who is an Insider at the time of the proposed amendment is, however, subject to Disinterested Shareholder Approval if and as required by the Exchange.

7. Term and Exercise of Options

- 7.1 The Option Period shall be determined by the Committee at the time the Option is granted and may be up to ten years from the Date of Grant, except as the same may be reduced pursuant to the provisions of section 9. Subject to the applicable maximum Option Period provided for in this section 7.1 and subject to applicable Regulatory Authority requirements and approvals, the Committee may extend the Option Period for an Option. Any extension of the Option Period of an Option held by an Optionee who is an Insider at the time of the proposed amendment is, however, subject to Disinterested Shareholder Approval if and as required by the Exchange. If an Option expires during a Black-Out Period, then, notwithstanding any other provision of the Plan, the Option shall expire 10 business days after the Black-Out Period is lifted by the Company.
- 7.2 The exercise of any Option will be contingent upon receipt by the Company of payment

for the full exercise price of the Shares being purchased in cash by way of certified cheque or bank draft. No Optionee or the legal representatives, legatees or distributees of the Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issued to the Optionee or such other persons under the terms of the Plan, provided, however, that for the time that the Company is a CPC, no Option granted pursuant to this Plan may be granted unless the Optionee first enters into an escrow agreement with the Company agreeing to deposit the Options, and the Shares acquired pursuant to the exercise of such Options, into escrow until the issuance of the Final QT Exchange Bulletin and in accordance with the terms of the escrow agreement and Policy 2.4 of the TSXV Manual.

8. Stock Option Agreement

Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Shares subject to the Option, the exercise price per Share, the Option Period, and incorporating the terms and conditions of the Plan and any other requirements of applicable Regulatory Authorities and such other terms and conditions as the Committee may determine are necessary or appropriate, subject to the terms of the Plan. Without limiting the generality of the foregoing and if and for so long as the Company is listed on the Exchange, for Options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are required to represent in an Option Agreement that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

9. Effect of Termination of Employment or Death

- 9.1 The vested portion of Options granted to any Optionee who is a Director/Officer or Management Company Employee shall expire on the earlier of: (a) that date which is 90 days after the Optionee ceases to be in at least one of such categories unless such Optionee ceases to be in at least one of such categories for Cause, in which case that date which the Optionee ceases to be in at least one of such categories; (b) an earlier date which is provided for in the Option Agreement with the Optionee; and (c) the expiry of the Option Period. The unvested portion of Options granted to any Optionee who is a Director/Officer, Consultant (including technical consultant) or Management Company Employee shall expire on the date the Optionee ceases to be in at least one of such categories and shall not vest after the date that the Optionee ceases to be in at least one of such categories.
- 9.2 The vested portion of Options granted to any Optionee who is an Employee or Consultant shall expire on the earlier of: (a) that date which is 90 days after the Termination Date unless such Optionee ceases to be in at least one of such categories for Cause, in which case the Termination Date; (b) an earlier date which is provided for in the Option Agreement with the Optionee; and (c) the expiry of the Option Period. The unvested portion of Options granted to any Optionee who is an Employee or Consultant shall expire on the Termination Date and shall not vest after the Termination Date.
- 9.3 Options granted to an Optionee who is engaged in Investor Relations Activities for the Company shall expire on the earlier of: (a) that date which is 30 days after the Termination Date unless such Optionee ceases to be employed to provide Investor Relation Activities

for Cause, in which case the Termination Date; (b) an earlier date which is provided for in the Option Agreement with the Optionee; and (c) the expiry of the Option Period. The unvested portion of Options granted to any Optionee who is an Employee or Consultant shall expire on the Termination Date and shall not vest after the Termination Date.

- 9.4 Notwithstanding sections 9.1, 9.2 and 9.3, in the event of the death of an Optionee while in service to the Company, each outstanding Option (to the extent then vested, if applicable, and not exercised) shall be exercisable until the earlier of (a) the expiration of one year following such death unless an earlier date is provided for in the Option Agreement with the Optionee, and (b) the expiry of the Option Period, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or by the laws of descent and distribution.
- 9.5 In the event of a Change of Control or impending Change of Control, the Board may, in its sole discretion, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Optionee:
- (a) subject to Exchange approval, deliver a notice to the Optionee advising the Optionee that the unvested portion of the Options held by the Optionee, if any, shall immediately vest;
 - (b) deliver a notice to an Optionee advising the Optionee that the expiry of the Option Period for any vested portion or portions of the Option shall be the earlier of the expiry of the Option Period and the 10th day following the date of the notice and the expiry of the Option Period for any unvested portion of the Option shall be the date of the notice; or
 - (c) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.
- 9.6 Notwithstanding the foregoing provisions of this section 9, for the time that the Company is a CPC, the vested portion of Options granted to any Optionee that does not continue as a Director, Officer, Consultant or Employee of the Company following the issuance of the Final QT Exchange Bulletin shall expire on the earlier of (a) the later of (i) 12 months after the date of the Final QT Exchange Bulletin and (ii) 90 days after the Optionee ceases to become a director, officer, technical consultant or employee of the Company following the issuance of the Final QT Exchange Bulletin; (b) an earlier date which is provided for in the Option Agreement with the Optionee; and (c) the expiry of the Option.
- 9.7 Notwithstanding the foregoing provisions of this section 9 and subject to any applicable Regulatory Authority approvals, the Committee may, in its discretion, provide for the extension of the exercisability of an Option for any period that is not beyond the applicable Option Period thereof, eliminate or make less restrictive any restrictions governing an Option, waive any restriction or other provision of this Plan or an Option or otherwise amend or modify the Option in any manner that is either (a) not adverse to such Optionee or (b) consented to by such Optionee.

10. Adjustment in Shares Subject to the Plan

10.1 The exercise price for and the number of Shares covered by an Option will be adjusted, with respect to the then unexercised portion thereof, by the Committee from time to time (on the basis of such advice as the Committee considers appropriate, including, if considered appropriate by the Committee, a certificate of the auditor of the Company) in the event and in accordance with the provisions and rules set out in this section 10. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Committee, and any such determination will be binding on the Company, the Optionee and all other affected parties.

- (a) In the event that a dividend is declared upon the Shares, payable in Shares (other than in lieu of dividends paid in the ordinary course), the number of Shares then subject to any Option shall be adjusted by adding to each such Share the number of Shares which would be distributable thereon if such Share had been outstanding on the date fixed for determining shareholders entitled to receive such stock dividend.
- (b) In the event that the outstanding Shares are changed into or exchanged for a different number or kind of Shares or other securities of the Company or of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then there shall be substituted for each Share subject to any Option the number and kind of Shares or other securities of the Company or another corporation into which each outstanding Share shall be so changed or for which each such Share shall be exchanged.
- (c) In the event that there is any change, other than as specified above in this section 10, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, then, if the Committee, in its sole discretion, determines that such change equitably requires an adjustment to be made in the number or kind of Shares then subject to any Option, an equitable adjustment shall be made in the number or kind of Shares, such adjustment shall be made by the Committee and be effective and binding for all purposes.
- (d) In the event that the Company distributes by way of a dividend, or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Company (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Committee, in its sole discretion, determines that such action equitably requires an adjustment in the exercise price of the Option or number of Shares subject to any Option, or both, such adjustment shall be made by the Committee and shall be effective and binding for all purposes.

10.2 In the case of any such substitution or adjustment as provided for in this section 10, the

exercise price in respect of each Option for each Share covered thereby prior to such substitution or adjustment will be proportionately and appropriately varied, such variation shall generally require that the number of Shares or securities covered by the Option after the relevant event multiplied by the varied option exercise price be equal to the number of Shares covered by the Option prior to the relevant event multiplied by the original exercise price of the Option.

- 10.3 No adjustment or substitution provided for in this section 10 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.
- 10.4 The grant of an Option shall not affect in any way the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

11. Non-Assignability

All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable, except as specifically provided in section 9.4 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

12. Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or services at any time. Participation in the Plan by an Optionee is voluntary.

13. Record Keeping

The Company shall maintain a register in which shall be recorded or maintained:

- (a) the name and address of each Optionee;
- (b) the number of Shares subject to Options granted to each Optionee, the number of Shares issued to each Optionee upon the exercise of Options, and the number of Shares subject to Options remaining outstanding;
- (c) a copy of each outstanding Option Agreement; and
- (d) such other information as the Committee may determine.

14. Regulatory Approvals

- 14.1 The Plan is subject to the approval of Regulatory Authorities having, or which may have, jurisdiction over the securities of the Company, and the Board is authorized to amend the

text thereof from time to time in order to comply with any changes thereto required by such applicable Regulatory Authorities.

- 14.2 The obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchange or stock quotation system on which the Shares are listed for trading or quoted which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price for an Option paid to the Company shall be returned to the Optionee.

15. Hold Periods, Securities Regulation and Tax Withholding

- 15.1 Any Shares issued pursuant to this Plan will be subject to any resale restrictions required by the Exchange or those of any securities Regulatory Authorities having jurisdiction.
- 15.2 Where necessary to effect exemption from registration or distribution of the Shares under securities laws applicable to the securities of the Company, an Optionee shall be required, upon the acquisition of any Shares upon the exercise of Options, to acquire such Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Committee an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates for the Shares to make appropriate reference to applicable resale restrictions. The Committee may take such other action or require such other action or agreement by such Optionee as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the underlying Shares under any securities laws applicable to the securities of the Company.
- 15.3 The Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of Options under the Plan.
- 15.4 Issuance, transfer or delivery of certificates for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

16. Amendment and Termination of Plan

- 16.1 The Board reserves the right to amend or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to any necessary approvals of any Exchange or Regulatory Authority having jurisdiction over the securities of the Company and, where applicable, the approval of the

shareholders of the Company (except where an amendment is made pursuant to section 14.1 and 16.2 hereof).

- 16.2 The Board are specifically authorized to amend the terms of the Plan, and the terms of any Options granted under the Plan, without obtaining shareholder approval, in order to:
- (a) amend the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date;
 - (b) a change to the vesting provisions of an Option or the Plan, including accelerating the vesting period of any Options; or
 - (c) make other amendments of a housekeeping nature.

17. No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

18. General Provisions

- 18.1 Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the issuance of securities of the Company (subject to shareholder approval if such approval is required by applicable securities Regulatory Authorities) and such arrangements may be either generally applicable or applicable only in specific cases.
- 18.2 The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any option agreement, and all determinations made and actions taken pursuant hereto shall be governed by and determined in accordance with the laws of the Province of British Columbia, Canada.
- 18.3 If any provision of the Plan or any Option is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person or Option and the remainder of the Plan and any such Option shall remain in full force and effect.
- 18.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Optionee or any other person.
- 18.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

19. Term of the Plan

- 19.1 The Plan shall be effective as of January 14, 2021, subject to its approval by the shareholders of the Company at an Annual General Meeting, if required by Regulatory Approvals, and all necessary Regulatory Authority approvals pursuant to section 14 hereof.
- 19.2 Subject to being approved on a yearly basis by the Company's shareholders at an Annual General Meeting, if required by Regulatory Approvals, the Plan shall be effective unless the Plan is terminated by the Board pursuant to section 16 hereof, and no Option shall be granted under the Plan after that date. Unless otherwise expressly provided in the Plan or in an applicable Option Agreement, any Option granted hereunder may, and the authority of the Board to amend, alter, adjust, suspend, discontinue or terminate any such Option or to waive any conditions or rights under any such Option shall, continue after January 14, 2021 or any earlier termination date of the Plan, provided such continuation is approved by the shareholders of the Company at an Annual General Meeting.