



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Annual General Meeting (the "Meeting") of the shareholders of Granite Creek Copper Ltd. (the "Company") will be held on Wednesday, December 12, 2024, at Suite 904, 409 Granville Street, Vancouver, British Columbia at 10:00 am (Pacific time) for the following purposes:

1. To receive and consider the audited financial statements of the Company for the year ended May 31, 2024, together with the auditor's report thereon and the Report of the Directors.
2. To elect directors to hold office until the next Annual General Meeting.
3. To appoint WDM Chartered Professional Accountants as the auditors of the Company and to authorize the directors to fix the remuneration to be paid to the auditors for the ensuing year.
4. To consider and, if thought fit, to pass, with or without amendment, an ordinary resolution, the full text of which is set out in the accompanying management information circular, approving, confirming and ratifying an increase in the number of common shares reserved for issuance under the Company's long-term performance incentive plan ("LTIP Plan") to a total of 30,000,000 common shares, as more particularly described in the Information Circular (the "Circular").
4. To transact such further or other business as may properly come before the meeting and any adjournments thereof.

The Board of Directors of the Company has set October 28, 2024, as the record date for determining the shareholders entitled to receive notice of and vote at the Meeting. The details of all matters proposed to be put before Shareholders at the Meeting are set forth in the Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

The consolidated audited financial statements for the financial year ended May 31, 2024, the report of the auditor and the management discussion and analysis thereon will be made available at the Meeting and are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

If you are a registered shareholder and are unable to be present at the Meeting in person, please vote by proxy by following the instructions provided on the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or other intermediary. If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting.

Late proxies may be accepted or rejected by the Chairman of the Meeting at their discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

## **NOTICE-AND-ACCESS**

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the "Notice-and-Access Provisions") for the Meeting. The Notice-and-Access provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Company to post the Circular and any additional materials online.

Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a paper copy of the Circular. The Company will not use the procedure known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

**Please review the Circular carefully and in full prior to voting as the Circular has been prepared to help you make an informed decision on the matters to be acted upon. The Circular is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and at <https://gxcopper.com>.**

Any Shareholder who wishes to receive a paper copy of the Circular should contact the Company at Suite 904, 409 Granville Street, Vancouver, British Columbia, Canada, or by toll-free telephone at 1-888-361-3494. Shareholders may also use the toll-free number to obtain additional information about the Notice-and-Access Provisions.

In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a voting instruction form or proxy prior to the deadline, it is strongly suggested that a Shareholder ensure their request is received no later than November 28, 2024.

DATED at Vancouver, British Columbia, November 4, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

*Timothy Johnson*

President & Chief Executive Officer



## INFORMATION CIRCULAR

(all information as of November 4, 2024, unless otherwise noted)

### PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of **Granite Creek Copper Ltd.** (the "**Company**" or "**Granite Creek**") for use at the Annual General Meeting of the Company's shareholders (the "**Meeting**") to be held on Wednesday, December 12, 2024 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and is furnished in connection with a solicitation of proxies for use at that Meeting and at any adjournment thereof.

Unless otherwise stated, all amounts herein are in Canadian dollars.

### GENERAL PROXY INFORMATION

#### Management Solicitation

The solicitation of proxies by the management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company.

The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

#### Appointment of Proxies

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date of **October 28, 2024** (the "**Record Date**") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "**Designated Persons**") in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Odyssey Trust Company (the "**Transfer Agent**") at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. Alternatively, the completed form of proxy may be delivered to the chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

#### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing:

- (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and
- (b) delivered either:
  - (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (ii) to the chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either attendance at the Meeting and participation in a poll (ballot) by a shareholder, or by the submission of a subsequent proxy in accordance with the foregoing procedures.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

#### **Voting of Proxies and Exercise of Discretion**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated

in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so as follows:

Online: please visit <https://login.odysseytrust.com/pxlogin> and click on VOTE. You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy.

Email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com);

Mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8; or

By fax to Odyssey, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international)

In all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

### **Beneficial Shareholders**

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.**

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for

many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

The Company does not have access to the names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Common Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Common Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Common Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Common Shares voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend the Meeting and vote his or her Common Shares.

### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934, as amended*, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British

Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue unlimited Common Shares without par value. As at the Record Date of October 28, 2024, the Company had 199,017,748 issued and outstanding fully paid and non-assessable Common Shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities.

Only registered shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights of the Company.

## **FINANCIAL STATEMENTS**

The consolidated audited financial statements of the Company for the Company's financial year ending May 31, 2024, the report of the auditor thereon and the management's discussion and analysis (collectively, the "Financial Statements") will be tabled at the Meeting. The Financial Statements are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at <https://gcxcopper.com>.

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

### **1. Election of Directors**

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are elected or appointed, unless his or her office is earlier vacated in accordance with the Articles or with the provisions of applicable corporate legislation. The term of office of those nominees set out below, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Articles, or with the provisions of applicable corporate legislation or until the earlier of such director's death, resignation or removal.

Management of the Company proposes to nominate each of the following persons for election as a director of the Company to hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence and Position Held with the Company	Director Since	Principal Occupation during the past five years	Number of Common Shares held
<b>Tim Johnson</b> <sup>(1)</sup> <b>British Columbia, Canada</b> President, Chief Executive Officer and Director	June 23, 2010	President & CEO of the Company.	5,083,439 <sup>(2)</sup>
<b>Michael Rowley</b> <sup>(1)</sup> <b>British Columbia, Canada</b> Director	January 15, 2014	President & CEO of Stillwater Critical Minerals Corp., a TSX-Venture Exchange listed company	2,723,972 <sup>(3)</sup>
<b>John Cumming</b> <b>British Columbia, Canada</b> Director	December 17, 2020	Corporate, securities & mining lawyer; Executive Chairman and Director of Stellar AfricaGold Inc., a TSX-Venture Exchange listed company.	420,000
<b>Loy Chunpongtong</b> <b>Alberta, Canada</b> Director	December 17, 2020	Retired mining engineer.	5,500
<b>Geordan Clark</b> <b>Yukon, Canada</b> Director	August 3, 2022	Yukon-based entrepreneur with extensive project management and business development experience including an MBA from Cape Breton University. A citizen of the Kluane First Nation, Mr. Clark provides consulting services to many Yukon First Nations small business owners. Mr. Clark is the former Executive Director of the Kluane Development Corporation and is currently General Manager and co-owner of Vision Quest Explorations, a Yukon First Nation drilling and exploration company.	Nil
<b>Robert Sennott</b> <sup>(1)</sup> <b>Massachusetts, USA</b> Director	March 29, 2023	Resource investor, entrepreneur, philanthropist and film producer. Founder of Market Intelligence, a real estate information services company, that was acquired by Alleghany Corporation and recently acquired by Berkshire Hathaway. Served on the board of directors of First Community Bank, a USA bank based in Woodstock VT. Currently serves as a business development advisor to Stillwater Critical Minerals Corp., a TSX-V listed company.	3,981,833

1. Member of the Audit Committee.
2. Of these shares, 24,542 are held by Mr. Johnson's private company Ranex Exploration Ltd.
3. Of these shares, 900,000 are held by Mr. Rowley's private company MVR Consulting Inc.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

**In the absence of instructions to the contrary, the enclosed form of proxy will be voted FOR the nominees listed in the form of proxy, all of whom are presently members of the Board.**

**Orders:** No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:



- (a) was subject to an order that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer.

For the purposes of the above, "order" means a cease trade order, an order similar to a cease trade order; or an order that denied the relevant company access to any exemption and securities legislation, that was in effect for a period of more than 30 consecutive days.

**Bankruptcies:** No proposed director of the Company is, or was, within the 10 years before the date of this Information Circular, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**Penalties or Sanctions:** No proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with respect to same; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable Shareholders in deciding whether to vote for a proposed director.

## 2. Appointment of Auditor

Shareholders will be asked to approve the re-appointment of WDM Chartered Professional Accountants as auditor of the Company at a remuneration to be fixed by the Board. WDM Chartered Professional Accountants were appointed as auditors of the Company on October 18, 2018.

**Management recommends that shareholders vote for the re-appointment of WDM Chartered Professional Accountants as the Company's auditor at remuneration to be fixed by the Board.**

## 3. Approval of Amendment to the Long-Term Performance Incentive Plan

The Company has a fixed Long Term Performance Incentive Plan (the "LTIP"), which was last approved by Shareholders at a meeting held on December 13, 2023. The plan which provides for the issuance of up to 20,000,000 Restricted Share Units ("RSUs"), Performance Share Units ("PSUs"), Deferred Share Units ("DSUs"), Stock Options ("Options") and Stock Appreciation Rights ("SARs", and together with RSUs, PSUs, DSUs and Options, the "Compensation Securities") to be issued to eligible persons as further described in the LTIP ("Eligible Person").

### ***Amendment to the number of Common Shares reserved under the LTIP Plan***

Subject to shareholder and TSXV approval, the LTIP Plan will be amended:

1. to increase the maximum number of Common Shares issuable under the LTIP Plan by 10,000,000

Common Shares, from 20,000,000 Common Shares to 30,000,000 Common Shares which is approximately 15% of the 199,017,748 Common Shares currently issued and outstanding; and

TSXV rules provide that any long-term incentive plan that may permit:

- (i) the aggregate number of shares reserved for issuance under Options granted to Insiders (as defined in TSXV rules) (as a group) at any point in time exceeding 10% of the issued shares of the corporation; or
- (ii) the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Options exceeding 10% of the issued shares of the corporation

must be approved by the Company's "disinterested shareholders" at the time the plan is to be implemented and at such time that the number of shares reserved for issuance under the plan is amended. Disinterested shareholders are shareholders that are neither insiders nor associates (as defined in TSXV rules) of insiders.

As the LTIP Plan permits the issuance of Options granted to insiders in excess of 10% of the issued and outstanding Common Shares, the resolution below must be approved by not less than a majority of the votes cast by the disinterested shareholders of the Company present in person or represented by proxy.

As of the Record Date, an aggregate of 12,501,144 Common Shares were held by insiders and their associates and will be excluded from voting on the LTIP Resolution.

Some of the key provisions of the LTIP are as follows:

- (a) The aggregate maximum number of Common Shares available for issuance from treasury under the LTIP at any given time shall not exceed 30,000,000 as at the date of grant of Compensation Securities under the LTIP. Any Common Shares subject to an Option which has been granted under the LTIP and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the LTIP without having been exercised will again be available under the LTIP;
- (b) Unless disinterested shareholder approval is obtained, pursuant to the rules and policies of the TSX-V, the aggregate number of Common Shares for which Compensation Securities under the LTIP may be granted to any one participant under the LTIP in any twelve (12) month period shall not exceed five (5%) percent of the issued and outstanding Common Shares, calculated as of the grant date;
- (c) The aggregate number of Compensation Securities granted to any one consultant in a twelve (12) month period under the LTIP shall not exceed two (2%) percent of the issued and outstanding Common Shares, calculated as of the grant date;
- (d) In respect of Options, so long as it may be required by the rules and policies of the TSX-V the total number of Options issuable to entities performing investor relations activities shall not exceed two (2%) percent of the issued and outstanding Common Shares in any twelve (12) month period;
- (e) The only Compensation Security that may be granted to persons retained to perform investor relations activities are Options.
- (f) Unless disinterested Shareholder approval is obtained, the maximum aggregate number of Common Shares for which Compensation Securities may be granted or issued to insiders of the Company (as a group) shall not exceed 10% of the issued and outstanding Common Shares of the Company at any point in time;
- (g) Unless disinterested Shareholder approval is obtained, the maximum aggregate number of Common Shares for which Compensation Securities may be granted or issued to insiders of the Company (as a

- group) in any twelve (12) month period under the LTIP, shall not exceed 10% of the issued and outstanding Common Shares, calculated as of the grant date;
- (h) All Options granted to entities retained to perform investor relations activities will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting and becoming exercisable in any three (3) month period;
  - (i) The exercise price of Compensation Securities, if applicable, shall be determined by the Board at the time each Compensation Security is granted, provided that such price shall not be less than (i) if the Common Shares are listed on the TSX-V, the last closing price of the Common Shares on the TSX-V; or (ii) if the Common Shares are not listed on the TSX-V, in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board, and which in no case may be less than the discounted market price permitted by the TSX-V;
  - (j) The aggregate number of Common Shares reserved for issuance pursuant to Compensation Securities granted to insiders of the Company at any given time, or within a 12-month period, shall not exceed 10% of the total number of Common Shares then outstanding, unless disinterested shareholder approval is obtained. The aggregate number of Common Shares reserved for issuance pursuant to Compensation Securities granted to any one person or entity within any 12-month period shall not exceed 5% of the total number of Common Shares then outstanding unless disinterested shareholder approval is obtained;
  - (k) Subject to the LTIP, the Board may determine when any Compensation Security will become exercisable and whether the Compensation Security will vest in instalments or pursuant to a vesting schedule, subject to the provision that no Compensation Security, except for Options, may vest before the date that is one year following the date the Compensation Security is granted or issued;
  - (l) The Board may elect, at any time, to accelerate the vesting schedule of one or more Options, including, without limitation, on a Triggering Event (as defined in the LTIP), and such acceleration will not be considered to be an amendment to the Option in question requiring the consent of the Participant under Section 6(c) of the LTIP Plan. For greater certainty, pursuant to the policies of the Exchange, there may be no acceleration of the vesting requirements applicable to Options granted to persons conducting Investor Relations Activities unless the prior written approval of the Exchange has been obtained;
  - (m) The maximum term of any Option cannot exceed ten years from the date of the grant;
  - (n) In lieu of the exercise price of each Common Share underlying an Option being paid in cash, the Option holder, except persons performing investor relation activities, may elect with the written permission of the Board and as permitted by the policies of the TSX-V or other stock exchange on which the Common Shares may be listed, for a broker-assisted cashless exercise in accordance with the terms of the LTIP;
  - (o) In lieu of the exercise price of each Common Share underlying an Option being paid in cash, the Option may be exercised, except Options granted to persons performing investor relations activities, at the discretion of the Option holder and only with the written permission of the Board and as permitted by the policies of the TSX-V or other stock exchange on which the Common Shares are listed, by a net exercise whereby the Option holder will receive only the number of Common Shares underlying the Option that is the equal to the quotient obtained by dividing: (a) 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, (b) the VWAP of the underlying Common Shares;
  - (p) If an Eligible Person's employment or service is terminated, the Compensation Security granted or issued to such eligible person under the LTIP is subject certain termination and expiry provisions as

further described in the LTIP, depending on whether the Eligible Person was terminated for cause, without cause or as a result of disability or death, and in no case shall the Compensation Security expire in a period greater than 12 months from the Termination or Cessation Date (as both terms are defined in the LTIP), as may be applicable; and

- (q) In the event of a change of control (as defined in the LTIP), pursuant to which an Eligible Person ceases to be an Eligible Person, all Compensation Securities outstanding shall be immediately exercisable, however, no vesting prescribed by the TSX-V, or other stock exchange on which the Common Shares are listed shall be removed without prior written approval of the TSX-V or other such stock exchange.
- (r) In a grant of SARs, the exercise price of the SAR (the "SAR Grant Price") shall be determined by the Board at the time the SAR is granted. In no event shall the SAR Grant Price be lower than the discounted market price permitted by the Exchange and in any event, shall be no less than \$0.05 per share. Where a SAR is granted in relation to an Option, it shall be a right in respect of the same number of Shares, and the SAR Grant Price shall be the same as the exercise price of the Option it is granted in relation to. The Board shall not reprice the SAR Grant Price of any SARs previously granted under this Plan, except in accordance with the rules and policies of the Exchange;
- (s) A SAR is the right to receive a payment in Shares equal to the excess, if any, of:
  - i. the Current Market Price immediately prior to the date such SAR is exercised; over
  - ii. the SAR Grant Price,

multiplied by the number of Shares in respect of which the SAR is being exercised (less any amount required to be withheld for taxes by applicable law) (the "SAR Amount"). For greater clarity, the actual number of Shares to be granted to the Participant pursuant to Paragraph A shall be equal to the aggregate SAR Amount divided by the Current Market Price. Notwithstanding the foregoing, in the sole discretion of the Board, the Award Agreement may provide that the Company may elect to satisfy the exercise of a SAR (in whole or in part) by paying to the Participant cash in an amount equal to the SAR Amount in lieu of Shares.

- (t) RSUs, PSUs, DSUs and SARs will vest and become payable at the end of that time period between the grant date and the vesting date of an Award specified by the Board in the Award Agreement, which period shall be no less than twelve (12) months (the "Restriction Period"). In the event of a Change of Control, take-over bid, RTO or other similar transaction, whereby a Participant that was granted RSUs, PSUs, DSUs and/or SARs ceases to be an Eligible Person, all restrictions upon any RSU, PSU, DSU or SAR shall lapse immediately and become fully vested in the Participant and will accrue to the Participant.

The full text of the LTIP can be found in Appendix "A" to this Information Circular.

### ***Shareholder Approval for the Amendment to the LTIP***

The Board is requesting that disinterested shareholders of the Company approve, confirm and ratify the amendment to the LTIP Plan. Accordingly, at the Meeting, disinterested shareholders of the Company will be asked to consider, and if thought fit, to approve the following ordinary resolution (the "**LTIP Resolution**"):

**"BE IT HEREBY RESOLVED, as an ordinary resolution, that:**

1. An increase in the number of Common Shares reserved for issuance under the Company's long-term incentive plan ("LTIP Plan") to a total of 30,000,000 Common Shares reserved for issuance be approved, confirmed and ratified;

2. The form of the LTIP may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the shareholders of the Company;
3. The Board of Directors be, and they are hereby authorized on behalf of the Company to revoke this resolution at any time prior to it being acted upon without the further approval of the shareholders of the Company; and
4. Any one officer or director of the Company be, and is hereby, authorized and directed to take all such further actions, execute and deliver such further instruments or documents in writing and do all such other acts and things as in such person's opinion may be necessary or desirable in the name and on behalf of the Company, under its corporate seal or otherwise, to give effect to, and carry out the intent of, the foregoing resolutions, which opinion shall be conclusively evidenced by the taking of such further actions, the execution and delivery of such instruments and documents and the doing of such other acts and things, and to the extent that any such actions were taken, or instruments and documents delivered prior to the date hereof, the taking of such actions and execution and delivery of such documents be, and are hereby approved."

**Management recommends that shareholders vote FOR the resolution approving, confirming and ratifying the amendments to the LTIP Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving, affirming and ratifying the LTIP Plan.**

#### STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this Information Circular:

"**CEO**" of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any); and

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for the financial year, and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

## Director and Named Executive Officer Compensation

The Company currently has two NEOs:

- Tim Johnson, President & CEO
- Rebecca Moriarty, CFO

The following table sets out details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO during the two most recently completed financial years.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Timothy Johnson President, CEO & Director	2024	180,000	Nil	Nil	Nil	Nil	180,000
	2023	180,000	Nil	Nil	Nil	22,500	202,500
Rebecca Moriarty CFO	2024	26,686	Nil	Nil	Nil	Nil	26,686
	2023	30,840	Nil	Nil	Nil	Nil	30,840
Michael Rowley Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
John Cumming Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Loy Chunpongtong Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Geordan Clark <sup>(2)</sup> Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Robert Sennott <sup>(3)</sup> Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

(1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) greater than \$10,000 but less than \$50,000 if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (b) \$10,000 if the NEO or director's total salary for the financial year is \$150,000 or greater, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) Mr. Clark was appointed as a Director of the Company on August 2, 2022.

(3) Mr. Sennott was appointed as a Director of the Company on March 29, 2023

## Stock Options and Other Compensation Securities

The following table sets out all stock options and other compensation securities granted or issued to each director and NEO by the Company during the year ended May 31, 2024.

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Timothy Johnson President, CEO & Director	Stock Options	350,000 stock options 350,000 underlying securities 2.29% of stock options; 0.25% of common shares	05/28/24	\$0.075	\$0.045	\$0.045	05/28/29

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Rebecca Moriarty CFO	Stock Options	40,000 stock options 40,000 underlying securities  0.21% of stock options; 0.02% of common shares	05/28/24	\$0.075	\$0.045	\$0.045	05/28/29
Michael Rowley Director	Stock Options	200,000 stock options 200,000 underlying securities  1.04% of stock options; 0.10% of common shares	05/28/24	\$0.075	\$0.045	\$0.045	05/28/29
John Cumming Director	Stock Options	75,000 stock options 75,000 underlying securities  0.39% of stock options; 0.04% of common shares	05/28/24	\$0.075	\$0.045	\$0.045	05/28/29
Loy Chunpongtong Director	Stock Options	75,000 stock options 75,000 underlying securities  0.39% of stock options; 0.04% of common shares	05/28/24	\$0.075	\$0.045	\$0.045	05/28/29
Geordan Clark Director	Stock Options	150,000 stock options 150,000 underlying securities  0.78% of stock options; 0.08% of common shares	05/28/24	\$0.075	\$0.045	\$0.045	05/28/29
Robert Sennott Director	Stock Options	200,000 stock options 200,000 underlying securities  1.04% of stock options; 0.10% of common shares	05/28/24	\$0.075	\$0.045	\$0.045	05/28/29

As at the year ended May 31, 2024, the following stock options were issued & outstanding to directors and NEOs:

	Number of Stock Options	Price per Option	Grant Date	Expiry Date
Tim Johnson	250,000	\$0.10	06/19/2020	06/19/2025
	250,000	\$0.22	03/17/2021	03/17/2026
	450,000	\$0.20	02/14/2022	02/14/2027
	100,000	\$0.08	01/10/2023	01/10/2028
	350,000	\$0.045	05/28/2024	05/28/2029
Rebecca Moriarty	150,000	\$0.10	06/19/2020	06/19/2025
	112,800	\$0.138	11/27/2020	11/27/2025
	50,000	\$0.22	03/17/2021	03/17/2026
	40,000	\$0.20	02/14/2022	02/14/2027
	40,000	\$0.08	01/10/2023	01/10/2028
	40,000	\$0.045	05/28/2024	05/28/2029
Michael Rowley	250,000	\$0.10	06/19/2020	06/19/2025
	125,000	\$0.22	03/17/2021	03/17/2026
	200,000	\$0.20	02/14/2022	02/14/2027
	200,000	\$0.08	01/10/2023	01/10/2028
	200,000	\$0.045	05/28/2024	05/28/2029

	Number of Stock Options	Price per Option	Grant Date	Expiry Date
John Cumming	200,000	\$0.10	06/19/2020	06/19/2025
	400,000	\$0.138	11/27/2020	11/27/2025
	100,000	\$0.22	03/17/2021	03/17/2026
	75,000	\$0.20	02/14/2022	02/14/2027
	100,000	\$0.08	01/10/2023	01/10/2028
	75,000	\$0.045	05/28/2024	05/28/2029
Loy Chunpongtong	200,000	\$0.138	11/27/2020	11/27/2025
	100,000	\$0.22	03/17/2021	03/17/2026
	75,000	\$0.20	02/14/2022	02/14/2027
	100,000	\$0.08	01/10/2023	01/10/2028
	75,000	\$0.045	05/28/2024	05/28/2029
Geordan Clark	50,000	\$0.10	06/19/2020	06/19/2025
	50,000	\$0.22	03/17/2021	03/17/2026
	200,000	\$0.10	08/02/2022	08/02/2027
	125,000	\$0.08	01/10/2023	01/10/2028
	150,000	\$0.045	05/28/2024	05/28/2029
Robert Sennott	300,000	\$0.08	05/02/2023	05/02/2028
	200,000	\$0.045	05/28/2024	05/28/2029

All stock options are subject to vesting, with 1/3 vesting on the sixth month anniversary of the grant date, 1/3 vesting on the one-year anniversary of the grant date and the remaining 1/3 vesting on the eighteenth month anniversary of the grant date.

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

The following compensation securities were exercised by directors and/or NEOs, during the year ended May 31, 2024.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
N/A							

#### Stock Option Plans and Other Incentive Plans

The Company has a long-term performance incentive plan (the "LTIP") in place. For further particulars on the LTIP, please see "Amendment to the Long-Term Performance Incentive Plan". A copy of the LTIP is also attached in Appendix A.

#### Employment, Consulting and Management Agreements

The Company has a consulting agreement in place with 1111040 BC Ltd., a private company in which Mr. Johnson owns a controlling interest, pursuant to which Mr. Johnson is contracted to provide CEO services. Under the consulting agreement, Mr. Johnson is paid \$180,000 per year to act as the Company's CEO. Mr. Johnson is not paid for being a director of the Company. Mr. Johnson may terminate the CEO Agreement on sixty days written notice to the Company. Upon termination of the CEO Agreement by the Company without cause or in the event of a change of control, Mr. Johnson would be entitled to receive twenty-four months base salary, twice an amount equal to one month remuneration for every year the consultant has provided services to the Company, the full amount of any bonus due and owing, the full amount of any expense incurred up to the date of termination and any incentive stock options outstanding shall be deemed to be extended and exercisable for three months following the termination. Ms. Moriarty provides CFO services to



the Company through a contract with Malaspina Consultants Inc. Ms. Moriarty is not paid directly by the Company rather Malaspina Consultants Inc. invoices the Company for those services Ms. Moriarty provides.

### Oversight and Description of Director and NEO Compensation

The Board has not created or appointed a compensation committee given the Company’s current size and stage of development. All tasks related to developing and monitoring the Company’s approach to the compensation of the Company’s NEOs and directors are performed by the members of the Board.

The compensation of the NEOs, directors and the Company’s employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

The overall objective of the Company’s compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard.

The Company currently has a short-term compensation component in place, which includes the accrual and/or payment of management fees to certain NEOs, and a long-term compensation component in place, which may include the grant of restricted share units, performance share units, deferred share units, stock options and stock appreciation rights under the LTIP Plan. The Company intends to further develop these compensation components. Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the position of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium-term compensation component.

The objectives of the Company’s compensation policies and procedures are to align the interests of the Company’s employees with the interests of the shareholders. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance. The Company relies on Board discussion without a formal agenda for objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at May 31, 2024, information regarding the outstanding stock options, warrants and rights granted by the Company under its equity compensation plan.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	19,210,000	0.13	790,000
Equity compensation plans not approved by securityholders <sup>(1)</sup>	N/A	N/A	N/A
<b>Total</b>	<b>19,210,000</b>	<b>0.15</b>	<b>790,000</b>

(1) Under the Company’s current LTIP, the number of common shares reserved for issuance is fixed at 20,000,000.

## CORPORATE GOVERNANCE

Corporate Governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") of the Canadian Securities Administrators requires the Company to disclose in this Information Circular a summary of the corporate governance policies that the Company has in place.

**Board of Directors:** Robert Sennott, Loy Chunpongtong, John Cumming and Geordan Clark are independent within the meaning of NI 58-101. Michael Rowley is not independent as he is a former executive officer of the Company. Timothy Johnson is not independent as he is an executive officer of the Company.

### Directorships

Name of Director	Names of other Reporting Issuers
Michael Rowley	Bravada Gold Corporation Stillwater Critical Minerals Corp.
John Cumming	Stellar AfricaGold Inc. TAAT Global Alternatives Inc.

**Orientation and Continuing Education:** While the Company does not have formal orientation or training programs for new board members, new board members are provided with full access to the Company's records, including all publicly filed documents of the Company, technical reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars.

**Ethical Business Conduct:** Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and its business operations.

**Nomination of Directors:** The Board has the responsibility for identifying potential Board candidates. The Board assesses potential candidates to fill perceived needs on the Board for required skill, expertise, independence and other factors.

**Compensation:** Compensation is determined by the Board and is based on the compensation paid for directors and senior officers of companies of a similar size and stage of development. The appropriate compensation reflects the need to provide incentive and compensation for the time and effort expended by the directors and its management while taking into account the financial and other resources of the Company.

**Assessments:** The Board conducts informal annual assessments of the Board's effectiveness, its individual directors and its committees.

## AUDIT COMMITTEE

Under National Instrument 52-110 *Audit Committees* ("NI 52-110"), venture issuers are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor.

**Audit Committee Charter:** Pursuant to NI 52-110, the Company is required to include a summary of the audit committee responsibilities, composition and authority. The Company's Audit Committee is governed by an audit committee charter, a copy of which is attached hereto as Appendix B.

**Composition of the Audit Committee:** As at the Record Date, the Company's audit committee is comprised of Michael Rowley, Tim Johnson and Robert Sennott. All audit committee members are "financially literate". Mr. Sennott is independent as that term is defined in NI 52-110.

#### Relevant Education and Experience

*Timothy Johnson:* Mr. Johnson has over 30 years' experience in the mineral exploration industry ranging from grassroots prospecting to consulting company operation and public company management. As a founder and manager of Arcmin Enterprises he helped a northern British Columbia First Nation build a labour service company employing over 180 people providing entry level and skilled workers to exploration and development projects in BC's golden triangle.

*Michael Rowley:* Mr. Rowley has over 30 years of executive experience in exploration, mineral testing, and mine environmental industries, including capital markets and operations. Mr. Rowley is the President and CEO of Stillwater Critical Minerals Corp. as well as a director of Bravada Gold, both publicly listed exploration companies.

*Robert Sennott:* Mr. Sennott is a resource investor, entrepreneur, philanthropist and film producer. Founder of Market Intelligence, a real estate information services company, that was acquired by Alleghany Corporation and recently acquired by Berkshire Hathaway. Served on the board of directors of First Community Bank, a USA bank based in Woodstock VT. Currently serves as a business development advisor to Stillwater Critical Minerals Corp., a TSX-V listed company.

**Audit Committee oversight:** At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

**Reliance on Certain Exemptions:** At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

**Pre-approval Policies and Procedures:** The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company's Audit Committee Charter (see under the heading "External Auditor").

**External Auditor Service Fees:** In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees charged to the Company by its auditor in the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
May 31, 2024	\$38,000	-	-	-
May 31, 2023	\$38,000	-	-	-

The Company is a venture issuer and as such, is relying on section 6.1 of NI 52-110 which provides that a venture issuer is not required to comply with Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

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

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company or its subsidiary. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiary, if any.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the approval of the amendment to the LTIP Plan, as such persons are eligible to participate in the LTIP Plan.

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

No informed person of the Company, proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, if any.

"**Informed person**" means

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

## **ADDITIONAL INFORMATION**

Financial information is provided in the Company's comparative financial statements for the year ended May 31, 2024 as well as the corresponding Management Discussion & Analysis which are available, along with additional information relating to the Company, on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or by contacting the Company at Suite 904, 409 Granville Street, Vancouver, BC V6C 1T2.

To request copies of the Company's financial statements and management discussion and analysis, shareholders can contact the Company at (888) 361-3494 or by email at [info@gcxcopper.com](mailto:info@gcxcopper.com).

## **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved and delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia this 4<sup>th</sup> day of November 2024.

**By Order of the Board of Directors of  
GRANITE CREEK COPPER LTD.**

***Timothy Johnson***  
President and Chief Executive Officer

**GRANITE CREEK COPPER LTD.**  
(the "**Company**")

**LONG-TERM PERFORMANCE INCENTIVE PLAN**

**SECTION 1. ESTABLISHMENT AND PURPOSE OF THIS PLAN**

The Company wishes to establish this long-term performance incentive plan ("**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units, Options and Stock Appreciation Rights to Eligible Persons of the Company as further described in this Plan.

The Plan and the Restricted Share Units, Performance Share Units, Deferred Share Units, Options and Stock Appreciation Rights issuable under the Plan are subject to Policy 4.4 of the TSX Venture Exchange.

This Plan is a "fixed" plan, permitting the issuance of a maximum of 30,000,000 Shares in respect of aggregate Awards granted hereunder.

**SECTION 2. DEFINITIONS**

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

- (a) "**Affiliate**" has the meaning ascribed thereto in the rules and policies of the Exchange;
- (b) "**Associate**" means, if used to indicate a relationship with any Person:
  - (i) a partner, other than a limited partner, of that Person;
  - (ii) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity;
  - (iii) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer; or
  - (iv) a relative, including the spouse, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person; but
  - (v) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange's Rule Book and Policies with respect to that Member firm, Member corporation or holding company.
- (c) "**Award**" means any award of Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs granted under this Plan;

- (d) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including electronic communication, as may from time to time be designated by the Company as evidence of any Award granted under this Plan;
- (e) "**Blackout Period**" means an interval of time during which the Company has formally imposed a prohibition on one or more Participants whereby they are to refrain from trading, exercising, redeeming, or settling any securities of the Company because they may be in possession of publicly undisclosed confidential information pertaining to the Company;
- (f) "**Board**" means the board of directors of the Company;
- (g) "**Cashless Exercise**" has the meaning given to that term in Section 5(d)(xii);
- (h) "**Cessation Date**" means, the effective date on which a Participant ceases to be a Director of the Company or a Subsidiary for any reason;
- (i) "**Change of Control**" includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
- (i) any one Person holds a sufficient number of the Voting Shares of the Company or Resulting Company to affect materially the control of the Company or Resulting Company, or
  - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of the Voting Shares of the Company or Resulting Company to affect materially the control of the Company or Resulting Company,
- where such Person or combination of Persons did not previously hold a sufficient number of Voting Shares to affect materially the control of the Company or Resulting Company. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the Voting Shares of the Company or Resulting Company is deemed to materially affect the control of the Company or Resulting Company.
- (j) "**Committee**" means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (k) "**Company**" means Granite Creek Copper Ltd., a company existing under the British Columbia *Business Corporations Act*, and any of its successors or assigns;
- (l) "**Consultant**" means, in relation to an Issuer, an individual (other than a Director, Officer or Employee) of the issuer or any of its subsidiaries that:
- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the Individual or the Company, as the case may be; and
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or of any of the Company's subsidiaries.

- (m) **"Current Market Price"** means the five (5) day volume-weighted average closing price of the Shares on the Exchange on the immediately preceding five (5) Trading Days on which trading in the Shares took place prior to the relevant grant or exercise date, which in no case may be less than the discounted market price permitted by the Exchange and, in any event, shall be no less than \$0.05;
- (n) **"Deferred Share Unit"** or **"DSU"** means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5(c) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (o) **"Determination Date"** means a date determined by the Board in its sole discretion but not later than ninety (90) days after the expiry of a Performance Cycle;
- (p) **"Director"** means a member of the Board;
- (q) **"Disability"** means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (r) **"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by all the Company's Shareholders at a duly constituted meeting of Shareholders, excluding votes attached to Shares beneficially owned by Insiders to whom Awards may be granted under this Plan and the Associates and Affiliates of such Insiders, or, with respect to a grant, issue or amendment of an Award that requires Disinterested Shareholder Approval pursuant to the rules and policies of the Exchange, approval by a majority of the votes cast by all the Company's Shareholders at a duly constituted meeting of Shareholders, excluding votes attached to Shares beneficially owned by Eligible Persons that holds or will hold an Award subject to such grant, issue or amendment, and the Associates and Affiliates of such Eligible Persons.
- (s) **"Distribution"** has the meaning ascribed to that term in the applicable Securities Laws. Generally, means the sale of securities from the treasury of a company, the sale of securities by a purchaser who acquired securities under an exemption from the Prospectus requirements of applicable Securities Laws, other than in accordance with the applicable Resale Restrictions, or the sale of securities by a Control Person other than in accordance with the applicable Resale Restrictions.
- (t) **"Effective Date"** has the meaning ascribed thereto in Section 8;
- (u) **"Election Form"** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;
- (v) **"Eligible Person"** means a Director, Officer, Employee, Management Company Employee or Consultant that is the recipient of Security Based Compensation granted or issued by the Company;
- (w) **"Exchange"** means the TSX Venture Exchange or such other exchange upon which the Shares of the Company may become listed for trading;
- (x) **"Exchange Hold Period"** means the four (4) month resale restriction imposed by the Exchange on the Shares, more particularly described in Exchange Policy 1.1;
- (y) **"Fees"** means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (z) **"Grant Date"** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;



(aa) **"Insider"**

if used in relation to an Issuer means

- (i) a director or an officer of the Issuer,
- (ii) a director or an officer of a Company that is itself an Insider or a subsidiary of the Issuer;
- (iii) a Person that has
  - (A) beneficial ownership of, or control or direction over, directly, or indirectly, or
  - (B) a combination of beneficial ownership of, and control or direction over, directly, or indirectly,securities of the Issuer carrying more than 10% of the voting rights attached to all the Issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution;
- (iv) the Issuer if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.

(bb) **"Insider Participant"** means a Participant who is an (i) Insider of the Company or of a Subsidiary, and (ii) Associate or Affiliate of any person who is an Insider by virtue of (i);

(cc) **"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, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company;
  - A. to promote the sale of products or services of the Company, or
  - B. to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
- (ii) activities or communications necessary to comply with the requirements of:
  - A. applicable securities laws;
  - B. Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
  - A. the communication is only through the newspaper, magazine, or publication, and

- B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange.
- (dd) "**Key Employees**" means employees, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company;
- (ee) "**Net Exercise**" has the meaning given to that term in Section 5(d)(xi);
- (ff) "**Option**" means incentive share purchase options entitling the holder thereof to purchase Shares;
- (gg) "**Participant**" means any Eligible Person to whom Awards under this Plan are granted;
- (hh) "**Participant's Account**" means a notional account maintained for each Participant's participation in this Plan which will show any Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs credited to a Participant from time to time;
- (ii) "**Performance-Based Award**" means, collectively, Performance Share Units and Restricted Share Units;
- (jj) "**Performance Criteria**" means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the Performance Share Units;
- (kk) "**Performance Cycle**" means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (ll) "**Performance Share Unit**" or "**PSU**" means a right awarded to a Participant to receive payment in Shares as provided in Section 5(b) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (mm) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (nn) "**Restriction Period**" means the time period between the Grant Date and the Vesting Date of an Award specified by the Board in the applicable Award Agreement, which period shall not be less than twelve (12) months;
- (oo) "**Restricted Share Unit**" or "**RSU**" means a right awarded to a Participant to receive payment in Shares as provided in Section 5(a) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (pp) "**Retirement**" means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (qq) "**Reverse Takeover**" or "**RTO**" has the meaning ascribed to that phrase in the Exchange's Policy 5.2 – Changes of Business and Reverse Takeovers. Generally, means a transaction which involves a company issuing securities from its treasury to purchase another company or significant assets, where the owners of the other company or assets acquire control of the resulting company.

- (rr) "**SA Rights**" has the meaning set out in Section 5(e)(i);
- (ss) "**Stock Appreciation Right**" or "**SAR**" means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(e)(i) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (tt) "**SAR Amount**" has the meaning set out in Section 5(e)(iii);
- (uu) "**SAR Grant Price**" has the meaning set out in Section 5(e)(ii);
- (vv) "**Securities Act**" means the *Securities Act*, RSBC 1996, c 418, as amended, from time to time;
- (ww) "**Security-Based Compensation Arrangement**" shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares from treasury to one or more eligible Key Employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary;
- (xx) "**Shareholder**" means a registered or beneficial holder of shares or, if the context requires, other securities of a Company;
- (yy) "**Shares**" means the common shares of the Company;
- (zz) "**Subsidiary**" means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (aaa) "**Termination Date**" means, as applicable: (i) in the event of a Participant's Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee or a Consultant of the Company or a Subsidiary; and (ii) in the event of termination of the Participant's employment or consulting contract by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that their services are no longer required;
- (bbb) "**Trading Day**" means any date on which the Exchange is open for trading;
- (ccc) "**Triggering Event**" means the consummation of any one of the following:
- (i) the dissolution, liquidation, or wind-up of the Company;
  - (ii) a merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
  - (iv) a Change of Control of the Company;
  - (v) the sale or other disposition of all or substantially all of the assets of the Company; or

- (vi) a material alteration of the capital structure of the Company which, in the opinion of the Board, is of such nature that it is not practical or feasible to make adjustments to this Plan or to Awards granted hereunder to permit the Plan and Awards granted hereunder to stay in effect.
- (ddd) "**Vesting Date**" means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.
- (eee) "**VWAP**" means volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five (5) trading days immediately preceding the exercise of the subject Award.

### **SECTION 3. ADMINISTRATION**

- (a) **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- (b) **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- (c) **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.
- (d) **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

### **SECTION 4. SHARES AVAILABLE FOR AWARDS**

- (a) **LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.**
  - (i) The aggregate number of Shares issuable under this Plan in respect of Awards shall not exceed 30,000,000 at any point in time;
  - (ii) Unless Disinterested Shareholder Approval is obtained pursuant to the rules and policies of the Exchange, the aggregate number of Shares for which Awards may be granted to any one Participant under this Plan in any twelve (12) month period shall not exceed five percent (5%) of the issued and outstanding Shares, calculated as of the Grant Date;
  - (iii) The aggregate number of Awards granted to any one Consultant in a twelve (12) month period under this Plan shall not exceed two percent (2%) of the issued and outstanding Shares, calculated as of the Grant Date;

- (iv) In respect of Options, so long as it may be required by the rules and policies of the Exchange, the total number of Options issuable to Persons performing Investor Relations Activities shall not exceed two percent (2%) of the issued and outstanding Shares in any twelve (12) month period;
  - (v) The only Award that may be granted to Persons retained to perform Investor Relations Activities are Options;
  - (vi) All Options granted to Persons retained to perform Investor Relations Activities will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting and becoming exercisable in any three (3) month period;
  - (vii) Pursuant to the policies of the Exchange, the Exchange Hold Period will be applied to Shares issuable under this Plan and any certificate(s) representing those Shares will include a legend stipulating that the Shares issued are subject to a four (4) month Exchange Hold Period commencing from the Grant Date.
  - (viii) Unless disinterested shareholder approval is obtained, the maximum aggregate number of Shares for which Awards may be granted or issued to Insiders (as a group) shall not exceed ten percent (10%) of the issued and outstanding Shares of the Company at any point in time; and
  - (ix) Unless disinterested shareholder approval is obtained, the maximum aggregate number of Shares for which Awards may be granted or issued to Insiders (as a group) in any twelve (12) month period under this Plan, shall not exceed ten percent (10%) of the issued and outstanding Shares, calculated as of the Grant Date.
- (b) ACCOUNTING FOR AWARDS. For the purposes of this Section 4:
- (i) If an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
  - (ii) Notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.
- (c) ANTI-DILUTION. If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation, recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments, in accordance with the terms of this Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Restricted Share Units, Performance Share Units, Deferred Share Units, Options and/or SARs credited to a Participant. For great certainty, any adjustment, other than in connection with a consolidation or stock split, to an Award granted or issued under this Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend, or recapitalization. Any additional Awards credited to a Participant in lieu of dividends declared by the Company based on Awards held by the Participant will be included in calculating the limits enumerated in Section 4(a) of the Plan. If such additional Awards result in the Company breaching any of the limits in Section 4(a) of the Plan, the Company shall settle such Awards in cash

on the basis of the difference between the price the Participant is required to pay to exercise the Award, if any, and the Current Market Price. Such cash settlement shall only be to the extent that the additional Awards granted in lieu of dividends declared by the Company do not breach the limits enumerated in Section 4(a). Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

## **SECTION 5. AWARDS**

### **(a) RESTRICTED SHARE UNITS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons provided that such Eligible Persons are determined by the Board and confirmed by the Eligible Person to be *bona fide* Eligible Persons, as the case may be, at the time of such grant. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (ii) **RESTRICTIONS.** Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (iii) **VESTING.** All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- (iv) **ACCELERATION OF VESTING.** In the event of a Change of Control, take-over bid, RTO or other similar transaction whereby a Participant that was granted Restricted Share Units ceases to be an Eligible Person, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5(a)(ix) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement and subject to the provisions below, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5(a)(ix) hereof.
- (vi) **TERMINATION OF EMPLOYMENT OR SERVICE.**
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject

to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.

- B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(ix) hereof.
  - C. Upon termination of a Participant's employment with the Company or a Subsidiary, or upon termination of a Consultant's contract, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (vii) **DISABILITY.** Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units, provided, however, that no Restricted Share Units may be redeemed during a leave of absence. Where in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Restricted Share Units granted to the Participant under this Plan that have not vested will, subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(ix) hereof.
- (viii) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Restricted Share Units granted to the Participant under this Plan that have not yet vested will, subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(ix) hereof.
- (ix) **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of Restricted Share Units, and subject to the applicable Award Agreement which, in no case shall provide that such Restricted Share Units expire in a period greater than twelve (12) months from either the Termination Date or the Cessation Date (if the Participant is a Director), the Company shall issue from treasury to the Participant, or if Section 5(a)(v) applies, to the Participant's estate, a number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued

shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

(b) PERFORMANCE SHARE UNITS

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Key Employees and Consultants provided that such Eligible Persons are determined by the Board and confirmed by the Eligible Person to be *bona fide* Eligible Persons, as the case may be, at the time of such grant. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement.
- (ii) **PERFORMANCE CRITERIA.** The Board will select, settle, and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the original Performance Criteria unfair or inappropriate unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.
- (iii) **VESTING.** All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, at a time no earlier than the Restriction Period, the determination of which satisfaction shall be made by the Board on the Determination Date.
- (iv) **ACCELERATION OF VESTING.** In the event of a Change of Control, take-over bid, RTO or other similar transaction whereby a Participant that was granted Performance Share Units ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5(b)(viii) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement and subject to the provisions below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever, in those unvested Performance Share Units. The Board may determine, in its sole discretion, and in accordance with the provisions of this Plan, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been



satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5(b)(viii) hereof.

(vi) TERMINATION OF EMPLOYMENT OR SERVICE.

A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.

B. Where, in the case of Key Employees or Consultants, other than as may be set forth in the applicable Award Agreement and below, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement, all Performance Share Units granted to the Participant which, prior to the Participant's termination without cause, by voluntary termination or due to Retirement, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date in those unvested Performance Share Units. The Board may determine, in its sole discretion, and in accordance with the provisions of this Plan, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5(b)(viii) hereof.

C. In the case of Key Employees, upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.

(vii) DISABILITY. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units, provided, however, that no Performance Share Units may be redeemed during a leave of absence. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Performance Share Units granted to the Participant under this Plan that have not vested will, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date in those unvested Performance Share Units. The Board may determine, in its sole discretion, and in accordance with the provisions of this Plan, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5(b)(viii) hereof.

(viii) PAYMENT OF AWARD. Subject to the applicable Award Agreement, which in no case shall provide that such Performance Share Units expire in a period greater than twelve (12)

months from the death of the Participant, the Termination Date or the disability of the Participant, payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement. The Company shall issue from treasury to the Participant, or if Section 5(b)(v) applies to the Participant's estate, a number of Shares equal to the number of Performance Share Units that have vested. As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

(c) DEFERRED SHARE UNITS

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors provided that such Directors are determined by the Board and confirmed by the Director to be a *bona fide* Director, as the case may be, at the time of such grant, Directors become Participants effective as of the date they are first appointed or elected as a Director and cease to be Participants on the Cessation Date for any reason. Deferred Share Units granted to a Participant in accordance with Section 5(c) hereof shall be credited, as of the Grant Date, to the Participant's Account.
- (ii) **ELECTION.** Each Director may elect to receive any part or all of their Fees and/or Awards, as applicable, in Deferred Share Units under this Plan. Elections by Participants regarding the amount of their Awards that they wish to receive in Deferred Share Units shall be made no later than ninety (90) days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Awards for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of their Awards for the remainder of that year in Deferred Share Units must make their election within sixty (60) days of becoming a Director.
- (iii) **CALCULATION.** The number of Deferred Share Units to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Current Market Price on the Grant Date, or if more appropriate, another trading range that best represents the period for which the award was earned (or such other price as required under Exchange policies) and, in any event, shall be no less than \$0.05 per share. If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (iv) **VESTING:** All Deferred Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- (v) **ACCELERATION OF VESTING.** In the event of a Change of Control, take-over bid or other similar transaction whereby a Director that was granted Deferred Share Units ceases to be an Eligible Person, all Deferred Share Units granted to a Participant shall become fully vested in such Participant and shall become payable to the Participant in accordance with Section 5(c)(v) hereof.

- (vi) PAYMENT OF AWARD. Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director for any reason or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, up to two (2) dates designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date as the Participant and the Company may agree, which dates shall be no earlier than the ninetieth (90<sup>th</sup>) day following the year of the Cessation Date and no later than the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant, either:
- A. that number of Shares equal to the number of Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company; or
  - B. a cash payment in an amount equal to the Current Market Price on the Cessation Date multiplied by the quantity of Deferred Share Units credited to a Participant's Account, net of applicable withholdings.

For greater certainty, any vesting period as may be set forth in the applicable Award Agreement must be no less than twelve (12) months following the date the Deferred Share Unit is granted to the Participant.

- (vii) EXCEPTION. In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (viii) DEATH. Upon death of a Participant, the Participant's estate shall be entitled to receive, within one hundred and twenty (120) days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5(c)(iv) hereof to the Participant upon such Participant ceasing to be a Director.

(d) OPTIONS

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of Options to Eligible Persons, provided that such Eligible Persons are determined by the Board and confirmed by the Eligible Person to be *bona fide* Eligible Persons, as the case may be, at the time of such grant. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- (ii) EXERCISE PRICE. The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the Discounted Market Price permitted by the Exchange and, in any event, shall be no less than \$0.05 per share. The Board shall not reprice any Options previously granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the Company

will be required to obtain Disinterested Shareholder Approval in respect of any reduction in the exercise price of Options or the extension of the term of an Option granted to any Participant if the Participant is an Insider at the time of the proposed reduction or extension, if and to the extent required by the rules and policies of the Exchange.

- (iii) TIME AND CONDITIONS OF EXERCISE. The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten (10) years. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- (iv) EVIDENCE OF GRANT. All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time, and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- (v) EXERCISE. The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice and payment. Neither the Participant nor their legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such Participants under the terms of this Plan. Where the expiry date for an Option occurs during a Blackout Period, the expiry date for such Option shall be extended to the date that is ten (10) business days following the end of such Blackout Period.
- (vi) CHANGE OF CONTROL. In the event of a Change of Control, whereby a Participant that was granted Options ceases to be an Eligible Person, each outstanding Option issued to Eligible Persons, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- (vii) DEATH. Where a Participant shall die, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of one hundred and twenty (120) days after the date of death of the Participant or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- (viii) TERMINATION OF EMPLOYMENT OR SERVICE.
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, no Option held by such Participant shall be exercisable from the Termination Date.

- B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of sixty (60) days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
- C. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of one hundred and twenty (120) days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
- (ix) CESSATION OF DIRECTORSHIP. Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of sixty (60) days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Participant ceasing to be a Director) or prior to the expiration of the Option in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of one hundred and twenty (120) days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Cessation Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.
- (x) ACCELERATION. The Board may elect, at any time, to accelerate the vesting schedule of one or more Options, including, without limitation, on a Triggering Event, and such acceleration will not be considered to be an amendment to the Option in question requiring the consent of the Participant under Section 6(c) of this Plan. For greater certainty, pursuant to the policies of the Exchange, there may be no acceleration of the vesting requirements applicable to Options granted to persons conducting Investor Relations Activities unless the prior written approval of the Exchange has been obtained.
- (xi) NET EXERCISE. In lieu of the exercise price of each Share underlying an Option being paid in

cash, the Option may be exercised, except Options granted to persons performing Investor Relations Activities, at the discretion of the Option holder and only with the written permission of the Board and as permitted by the policies of the Exchange, by a "**Net Exercise**" whereby the Option holder will receive only the number of Shares underlying the Option that is the equal to the quotient obtained by dividing:

- A. the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options by
- B. the VWAP of the underlying Shares.

In the event of a Net Exercise, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued, must be included in calculating the limits set forth in Section 4 of the Plan, and must otherwise comply with the rules of the Exchange.

(xii) **CASHLESS EXERCISE.** In lieu of the exercise price of each Share underlying an Option being paid in cash, the Option may be exercised, except Options granted to persons performing Investor Relations Activities, at the discretion of the Option holder and only with the written permission of the Board and as permitted by the policies of the Exchange, by a "**Cashless Exercise**" whereby the Option holder may elect for a broker-assisted cashless exercise and shall receive:

- A. an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Company, less the aggregate exercise price, any applicable withholding taxes, and any transfer costs charged by the securities dealer to sell the Shares;
- B. an aggregate number of Shares that is equal to the number of Shares underlying the Option (or portion thereof being exercised) minus the number of Shares sold in the capital markets by a securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Shares; or
- C. a combination of Section 5(d)(xii)(A) and 5(d)(xii)(B).

(xiii) In the event of a Cashless Exercise, the number of Options exercised, surrendered, or converted, and not the number of Shares actually issued, must be included in calculating the limits set forth in Section 4 of the Plan, and must otherwise comply with the rules of the Exchange.

(e) STOCK APPRECIATION RIGHTS

(i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant awards of stock appreciation rights to Eligible Persons, either on a stand-alone basis ("**SA Rights**") or in relation to any Option provided that such Eligible Persons are determined by the Board and confirmed by the Eligible Person to be *bona fide* Eligible Persons, as the case may be, at the time of such grant. SARs granted to a Participant shall be credited, as of the Grant Date, to the Participant's account. The number of SARs to be

credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.

- (ii) **SAR GRANT PRICE.** The exercise price of the SAR (the "**SAR Grant Price**") shall be determined by the Board at the time the SAR is granted. In no event shall the SAR Grant Price be lower than the discounted market price permitted by the Exchange and, in any event, shall be no less than \$0.05 per share. Where a SAR is granted in relation to an Option, it shall be a right in respect of the same number of Shares, and the SAR Grant Price shall be the same as the exercise price of the Option it is granted in relation to. The Board shall not reprice the SAR Grant Price of any SARs previously granted under this Plan, except in accordance with the rules and policies of the Exchange.
- (iii) **VESTING.** All SARs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- (iv) **ACCELERATION OF VESTING.** In the event of a Change of Control, take-over bid, RTO or other similar transaction whereby a Participant that was granted SARs ceases to be an Eligible Person, each outstanding SAR issued to Eligible Persons, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- (v) **PAYMENT.**
  - A. Subject to the provisions hereof, a SAR is the right to receive a payment in Shares equal to the excess, if any, of:
    - i. the Current Market Price immediately prior to the date such SAR is exercised;  
over
    - ii. the SAR Grant Price,multiplied by the number of Shares in respect of which the SAR is being exercised (less any amount required to be withheld for taxes by applicable law) (the "**SAR Amount**").
  - B. For greater clarity, the actual number of Shares to be granted to the Participant pursuant to Paragraph A shall be equal to the aggregate SAR Amount divided by the Current Market Price.
  - C. Notwithstanding the foregoing, in the sole discretion of the Board, the Award Agreement may provide that the Company may elect to satisfy the exercise of a SAR (in whole or in part) by paying to the Participant cash in an amount equal to the SAR Amount in lieu of Shares.
- (vi) **TERMS OF SARs GRANTED IN CONNECTION WITH AN OPTION.** SARs may be granted in relation to an Option either at the time of the grant of the Option or by adding the SAR to an existing Option. SARs granted in relation to an Option shall be exercisable only at the same time, by the same persons and to the same extent, to which the related Option is exercisable. Upon the exercise of any SAR related to an Option, the corresponding portion of the related Option shall be surrendered to the Corporation and cancelled, and upon the exercise of any

Option which has an accompanying SAR, the corresponding portion of the related SAR shall be surrendered to the Corporation and cancelled.

- (vii) TERMS OF SARS GRANTED ON A STAND-ALONE BASIS. SA Rights shall be granted on such terms as shall be determined by the Board and set out in the Award Agreement (including any terms pertaining to vesting and settlement), provided the term of any SAR granted under this Plan shall not exceed ten years and the vesting period of any SAR granted under this Plan shall not be less than the Restriction Period.
- (viii) EXERCISE. The exercise of any SAR will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the SAR is being exercised. If the Participant is to receive Shares, certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice. Neither the Participant nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to SARs under this Plan are issued to such Participant under the terms of this Plan. Where the expiration of the exercise period in respect of a SAR occurs during a Blackout Period, the exercise period for such SAR shall be extended to the date that is ten (10) business days following the end of such Blackout Period.
- (ix) DEATH. Where a Participant shall die while holding a SAR, any SAR held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the SAR shall pass by the will of the Participant or the laws of descent and distribution for a period of one hundred and twenty (120) days after the date of death of the Participant or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of death of such Participant.
- (x) TERMINATION OF EMPLOYMENT OR SERVICE.
  - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or a consulting contract, subject to the applicable Award Agreement is terminated as a result of the Consultant's breach, no SAR held by such Participant shall be exercisable from the Termination Date.
  - B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of sixty (60) days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Termination Date) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.
  - C. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due



to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of one hundred and twenty (120) days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed twelve (12) months from the Termination Date) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.

- (xi) CESSATION OF DIRECTORSHIP. Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of sixty (60) days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of one hundred and twenty (120) days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date.

(f) GENERAL TERMS APPLICABLE TO AWARDS

- (i) FORFEITURE EVENTS. The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (ii) AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER. Without limiting Section (5)(e), Awards may, at the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company or any Subsidiary. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company or any Subsidiary, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (iii) NON-TRANSFERABILITY OF AWARDS. No Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make the Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.

- (iv) **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
  - (v) **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
  - (vi) **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.
- (g) **GENERAL TERMS APPLICABLE TO PERFORMANCE-BASED AWARDS**
- (i) **PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS.** At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; and (G) foreign exchange gains and losses.
  - (ii) **ADJUSTMENT OF PERFORMANCE-BASED AWARDS.** The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

## **SECTION 6. AMENDMENT AND TERMINATION**

- (a) **SHAREHOLDER APPROVAL OF PLAN.** This Plan is subject to the approval of a majority of votes cast at a meeting of Shareholders upon adoption of the Plan and thereafter as required by the policies of the Exchange. Any Awards granted under this Plan prior to receipt of shareholder approval will not be exercisable or binding on the Company unless and until such approvals are obtained.
- (b) **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, provided that the Board obtain (a) any required approval of any applicable regulatory authority or the Exchange, and (b) the approval of Shareholders of the Company as required by the rules of the Exchange or applicable law, provided that and subject to the foregoing, Shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
  - (i) amendments to fix typographical errors; and
  - (ii) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature, and intent of such provisions.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

- (c) **AMENDMENTS TO AWARDS.** Subject to (a) any requisite approval of any applicable regulatory authority or the Exchange, and (b) any approval of Shareholders of the Company as required by the rules of the Exchange or applicable law, the Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

## **SECTION 7. GENERAL PROVISIONS**

- (a) **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of the Awards need not be the same with respect to each recipient.
- (b) **WITHHOLDING.** Subject to the policies and procedures of the Exchange, the Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever

Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:

- (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
  - (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (c) **NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS.** Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- (e) **NO RIGHT AS A SHAREHOLDER.** Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- (f) **GOVERNING LAW.** This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (g) **SEVERABILITY.** If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- (h) **NO TRUST OR FUND CREATED.** Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- (i) **NO FRACTIONAL SHARES.** No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.

- (j) HEADINGS. Headings are given to the Sections and subsections of this 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 this Plan or any provision thereof.
- (k) NO REPRESENTATION OR WARRANTY. The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- (l) NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION. Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of the Awards under this Plan.
- (m) CONFLICT WITH AWARD AGREEMENT. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- (n) COMPLIANCE WITH LAWS. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
  - (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
  - (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

#### **SECTION 8. EFFECTIVE DATE OF THIS PLAN**

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the shareholders of the Company given by an affirmative vote of the majority of the Shares represented at the meeting of the shareholders of the Company at which a motion to approve the Plan is presented.

#### **SECTION 9. TERM OF THIS PLAN**

This Plan shall terminate automatically ten (10) years after the Effective Date, provided that this Plan may be terminated on any earlier date as provided in Section 6 hereof, or if any approvals required by the Exchange are not obtained on the terms and conditions required thereby.

## Appendix B

### Audit Committee Charter

*Mandate:* The function of the audit committee (the "**Committee**") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements, review and appraise the performance of the Company's external auditor; and provide an open avenue of communication among the Company's auditor, financial and senior management and the Board.

*Composition:* The Committee shall be comprised of a minimum of three directors as determined by the Board. If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" then all members of the Committee shall also have accounting or related financial management expertise. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

*Meetings:* The Committee shall meet at least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor.

*Responsibilities and Duties:* To fulfil their responsibilities and duties, the Committee shall:

1. Documents/Reports Review: review and update the Audit Committee Charter annually and review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor.
2. External Auditor:
  - (a) review annually the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
  - (b) obtain annually a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company and review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
  - (d) take, or recommend that the Board take appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
  - (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval and to recommend to the Board the compensation to be paid to the external auditor;

- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements and review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom the authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### 3. Financial Reporting Processes:

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### 4. Other - review any related party transactions, engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay compensation for any independent counsel and other advisors employed by the Committee.