



PRISMO METALS INC.
Suite 1100 – 1111 Melville Street
Vancouver, BC, V6E 3V6, CANADA
Telephone: (+1) 604-925-2839

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual general meeting (the “**Meeting**”) of shareholders of **PRISMO METALS INC.** (the “**Corporation**”) will be held on Thursday, September 29, 2022 at 10:00 a.m., Vancouver time, solely by means of remote communication, rather than in person, for the following purposes:

1. To receive the consolidated financial statements of the Corporation for its financial year ended December 31, 2021, the report of the auditor thereon and the related management discussion and analysis;
2. To set the number of directors at five;
3. To elect directors of the Corporation for the ensuing year;
4. To appoint an auditor of the Corporation for the ensuing year and authorize the directors to fix the auditor’s remuneration;
5. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the Company’s Long-Term Performance Incentive Plan (“**LTIP**”), as set forth in Appendix “A” of the attached Management Proxy Circular;
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Due to the public health impact of the COVID-19 pandemic, and to mitigate risks to the health and safety of our community, Shareholders, employees and other stakeholders, the Corporation is conducting a virtual meeting of the Shareholders of the Corporation. Shareholders will not be able to attend the Meeting in person. Instead, Registered Shareholders (as defined in the accompanying Management Proxy Circular under the heading "Appointment of Proxy") and duly appointed proxyholders can virtually attend, participate, vote or submit questions at the virtual Meeting online by registering at the following link (which **does not** grant access to the Meeting and is simply for the purposes of registration):

<https://bit.ly/3AZMJQX>

After registering, you will receive a confirmation email with access instructions. **To ensure a smooth process, the Corporation is asking registered participants to log in by 9:45 a.m. (Vancouver time) on September 29, 2022.**

In summary, in order to attend the Meeting, **kindly follow the steps described below:**

1. Register using the above link; and
2. Use the link to be provided to you in the confirmation email to access the Meeting on September 29, 2022.

Just as they would be at an in-person meeting, Registered Shareholders and duly appointed proxyholders will be able to attend the virtual Meeting, participate, submit questions online and vote virtually, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the accompanying Management Proxy Circular. Registered Shareholders who are unable to attend the virtual Meeting are requested to complete, sign and date the accompanying form of proxy or voting instruction form in accordance with the instructions provided therein and in the Management Proxy Circular and return it in accordance with the instructions and timelines set forth in the Management Proxy Circular. Non-registered (or beneficial) shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as "guests", but will not be able to participate, submit questions or vote at the virtual Meeting.

A Management Proxy Circular accompanies this Notice. The Management Proxy Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however, any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

Copies of the consolidated financial statements, report of the auditor and related management's discussion and analysis for the year ended December 31, 2021 are available under the Corporation's SEDAR profile at www.sedar.com. Please see "Additional Information" on page 15 of the Management Proxy Circular for information on how to view the financial documents.

Holders of shares may exercise their rights by attending the Meeting or by completing a proxy form. Those who are unable to attend the Meeting in person by way of remote communication are urged to complete and return the enclosed form of proxy to Computershare, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax at 1-866-249-7775 (within North America) or 416-263-9524 (outside North America), before 10:00 a.m. (Pacific Time) on September 27, 2022. A person appointed as proxy need not be a shareholder of the Corporation. Holders of shares may also exercise their voting rights by calling the toll-free number 1-866-732-8683 or any other number indicated on the proxy form or the voting instruction form or by going to the following website: www.investorvote.com. For any additional information concerning this matter, please contact Computershare by calling at no charge at 1-866-962-0498 (within North America) and at 514-982-8716 (outside North America) or by e-mail at service@computershare.com.

DATED at Vancouver, British Columbia, August 31, 2022.

BY ORDER OF THE BOARD

**Peter Craig Gibson
President and Chief Executive Officer**



PRISMO METALS INC.

Suite 1100 – 1111 Melville Street
Vancouver, BC, V6E 3V6, CANADA
Telephone: (+1) 604-925-2839

MANAGEMENT PROXY CIRCULAR

as at August 31, 2022, *(except as otherwise indicated)*

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Prismo Metals Inc. (the “Corporation”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held solely by means of remote communication on September 29, 2022 at the time and for the purposes set forth in the accompanying Notice of the Meeting.

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to Prismo Metals Inc.. “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

PARTICIPATION AT THE MEETING

While it is the Corporation's intention to resume holding in-person meetings under normal circumstances, the Meeting will be a completely virtual meeting of shareholders via webcast in order to deal with the impact of the COVID-19 pandemic and to mitigate risks to the health and safety of our community, shareholders, employees and other stakeholders. Shareholders will not be able to attend the Meeting in person. Instead, Registered Shareholders (as defined herein) and duly appointed proxyholders will be able to virtually attend, participate and vote at the virtual Meeting on the date and time of the Meeting by clicking and registering at the following link:

<https://bit.ly/3AZMJQX>

After registering, you will receive a confirmation email with access instructions. **To ensure a smooth process, the Corporation is asking registered participants to log in by 9:45 a.m. (Vancouver time) on September 29, 2022.**

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are the officers of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and vote on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting by means of remote communication. Registered Shareholders electing to submit a proxy may do so using one of the following ways:

- (a) complete, date and sign the enclosed form of proxy and return it to the Corporation’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder’s account number and the proxy access number; or
- (c) log on via the internet through the website of the Corporation’s transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder’s account number and the proxy access number;

in all cases Registered Shareholders must ensure 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 following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders, (also referred to as “Non-registered Shareholders”) should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

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

Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In Canada, the vast majority of such Common Shares are registered 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), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust & Clearance Corporation (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") the Corporation distributes copies of the Notice of Meeting, this Management Proxy Circular and the form of Proxy (collectively, the "Meeting materials") to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Corporation does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

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

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided by the Corporation to registered shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form ("**VIF**") in lieu of a Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge the VIF must be completed and returned to Broadridge in accordance with its instructions, well in advance of the Meeting, in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the records office of the Corporation at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the ratification, confirmation and approval of the Long-Term Incentive Plan of the Corporation, as indicated in the relevant sections of the Circular, and as may be set out as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Corporation has fixed August 25, 2022 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any such share after the record date, and
- (b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Shares and makes a demand to Computershare Investor Services Inc. no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Corporation are listed on the Canadian Securities Exchange (the "**CSE**"). As of the Record Date there were 29,228,723 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as at the Record Date are:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Prospección y Desarrollo Minero del Norte, S.A. de C.V. ⁽¹⁾	3,050,000	10.43%

Note:

- (1) Prospección y Desarrollo Minero del Norte, S.A. de C.V. ("**ProDeMin**") holds an aggregate of 3,050,000 Common Shares of the Corporation and 2,000,000 share purchase warrants. This company is controlled by Dr. Peter Craig Gibson, a director and Chief Executive Officer of the Corporation. Jointly with ProDeMin, Dr. Gibson owns 3,180,000 common shares of the Corporation and 350,000 share purchase warrants.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2021, report of the auditor and related management discussion and analysis will be placed before the Meeting. Copies of these documents are available on www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors than there are vacancies to fill, or another auditor is nominated, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of three and a maximum of ten. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Canada Business Corporations Act* (CBCA), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The Board has set the number of directors to be elected at the Meeting at five. The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds (within the last five years for each new director nominee), each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name, Position with Corporation and Province and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Dr. Peter Craig Gibson, President and Chief Executive Officer (San Marcos, California, USA)	President and Chief Executive Officer of the Corporation. Technical director of Pospección y Desarrollo Minero del Norte, S.A. de C.V. Certified Professional Geologist.	October 17, 2018	3,180,000 ⁽²⁾
Mr. Jean-François Meilleur, Director (Montreal, Quebec, Canada)	VP at Critical Elements Corp. Managing Partner at Paradox Public Relations & P.E. Partners.	October 17, 2018	472,500 ⁽³⁾
Mr. Jorge Rafael Gallardo Romero, Director (Hermosillo, Sonora, Mexico)	Geologist consultant of Minera Cascabel, S.A. de C.V.	October 17, 2018	94,000 ⁽⁴⁾
Ms. María Guadalupe Yeomans Otero, Director (Hermosillo, Sonora, Mexico)	Office Manager at Minera Cascabel, S.A. de C.V.	October 17, 2018	Nil ⁽⁵⁾
Louis Doyle ⁽⁶⁾ , Director (Kirkland, Québec)	Consultant	June 27, 2022	50,000

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) Dr. Gibson holds 130,000 Common Shares directly, and 3,050,000 Common Shares indirectly through ProDeMin, a company controlled by him. In Addition, ProDeMin owns 350,000 share purchase warrants to purchase 350,000 common shares at an exercise price of \$0.10 per share and valid until August 12, 2024. Dr. Gibson also holds 175,000 stock options with an exercise price of \$0.125 and valid until September 30, 2025, while ProDeMin holds 250,000 stock options with an exercise price of \$0.125 and valid until September 30, 2025.
- (3) Mr. Meilleur also holds 100,000 stock options with an exercise price of \$0.125 per share and valid until September 30, 2025, and 50,000 stock options with an exercise price of \$0.165 per share and valid until June 26, 2027
- (4) Mr. Gallardo Romero directly owns 94,000 Common Shares, and also holds 100,000 stock options with an exercise price of \$0.125 and valid until September 30, 2025 and 50,000 stock options with an exercise price of \$0.165 per share and valid until June 26, 2027.
- (5) Ms. Yeomans Otero holds 100,000 stock options with an exercise price of \$0.125 per share and valid until September 30, 2025 and 50,000 stock options with an exercise price of \$0.165 per share and valid until June 26, 2027.
- (6) Mr. Doyle was nominated to the board of directors on June 27, 2022. In addition to common shares, he holds 150,000 stock options with an exercise price of \$0.165 per share and valid until June 26, 2027.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Corporation acting solely in such capacity.

Except for Mr. Louis Doyle, whose biography appears below, all of the nominees whose names are hereinabove mentioned were elected directors of the Corporation at a shareholders' meeting for which a circular was issued.

Biography

Mr. Doyle has over 30 years of experience focused primarily on capital markets and public companies. Since 2016, he provides consulting services to private companies seeking listing on Canadian exchanges. Between January 2016 and December 2021, Mr. Doyle was also the Executive Director of Québec Bourse. Between October 1999 and December 2015, he was the Vice-President, Montréal of the TSX Venture Exchange. As such, he was responsible for business development and listing activities in the Province of Québec and Atlantic Canada. During his tenure, he acted as chairman of TSX Venture Listing Committee and was a member of the Policy committee. Mr. Doyle also led the nationwide TSX Venture Mentorship program and further acted regularly as a speaker and advisor at conferences and workshops. He also holds directorship roles with three other publicly traded companies.

The Corporation has not received notice of a nomination in compliance with its By-Laws and, as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Corporation will be disregarded at the Meeting.

Bankruptcies, Orders and Management Cease Trade Orders

Except as disclosed below, within the last 10 years before the date of this Management Proxy Circular no proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this Management Proxy Circular is prepared) acted in that capacity for a company that:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) 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; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to

or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Carmelo Marrelli previously served as a Chief Financial Officer of Media Central Corporation Inc. ("MCC") from June 10, 2021 until January 25, 2022. Mr. Marrelli resigned for non-payment of services. Following Mr. Marrelli's resignation as Chief Financial Officer, MCC filed an assignment into bankruptcy on March 28, 2022 under the *Bankruptcy and Insolvency Act* (Canada).

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6 will be nominated at the Meeting for appointment as auditor of the Corporation at a remuneration to be fixed by the directors. Davidson & Company LLP, Chartered Professional Accountants, was first appointed as auditor of the Corporation by the shareholders on June 5, 2020.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following disclosure.

The Audit Committee's Charter

The audit committee has a charter. A copy of the audit committee charter was filed on SEDAR at www.sedar.com on September 8, 2020 as Schedule "A" to the final long form prospectus. A copy may also be obtained from the Chief Financial Officer of the Corporation, telephone number 416 848-0106 or email atcarm@marrellisupport.ca.

Composition of the Audit Committee

As at the date hereof, the members of the audit committee are Jean-François Meilleur, María Guadalupe Yeomans Otero and Jorge Rafael Gallardo Romero. All three are independent members of the committee, and all three are considered to be financially literate.

Relevant Education and Experience

Jean-François Meilleur has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to public companies in Canada. Mr. Meilleur holds a bachelor's degree from the HEC business school (Hautes Études Commerciales) in Montreal, with a specialization in marketing and finance.

María Guadalupe Yeomans Otero has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to mineral exploration companies.

Jorge Rafael Gallardo Romero has several years of experience with mineral exploration and mining development companies and is familiar with the financial reporting requirements applicable to mineral exploration companies.

Each member of the audit committee has:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any external auditor other than Davidson & Company LLP, Chartered Professional Accountants.

Reliance on Certain Exemptions

The Corporation’s auditor, Davidson & Company LLP, Chartered Professional Accountants, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

See the audit committee charter concerning the adoption of specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by the auditors to the Corporation to ensure auditor independence. Fees incurred with the auditors for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2021	Fees Paid to Auditor in Year Ended December 31, 2020
Audit Fees ⁽¹⁾	\$25,000	\$35,000
Audit-Related Fees ⁽²⁾	\$nil	\$488
Tax Fees ⁽³⁾	\$2,500	\$2,450
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$27,500	\$37,938

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Exemption

The Corporation is a venture issuer and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management by conducting a quarterly review of the Corporation’s financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

A majority of the Board is independent. The independent members of the Board are Louis Doyle, Jean-François Meilleur, María Guadalupe Yeomans Otero and Jorge Rafael Gallardo Romero. The non-independent director is Dr. Peter Craig Gibson, (President and CEO of the Corporation).

Directorships

Dr. Peter Craig Gibson is a director of Garibaldi Resources Corp. and Beyond Minerals Inc.

Mr. Jean-François Meilleur is a director of Beyond Minerals Inc.

Mr. Louis Doyle is a director of Albatros Acquisition Corporation Inc., Val-d’Or Mining Corporation and Lumiera Health Inc.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation’s properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation’s management and employees to give the directors additional insight into the Corporation’s business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors and Disclosure Relating to Diversity

The Board does not have a nominating committee. The current size and composition of the Board allow the entire Board to take the responsibility for finding and nominating new directors, taking into consideration the competencies, skills, experiences, and ability to devote the required time.

The Corporation has not adopted term limits for its directors or other mechanisms of Board renewal. The Corporation is aware of the positive impacts of bringing new perspectives to the Board, and therefore does occasionally add new members; however, it values continuity on the Board of Directors and the in-depth knowledge of the Corporation held by those members who have a long-standing relationship with the Corporation.

The Corporation does not currently have a written policy relating to the identification and nomination of

women, Aboriginal peoples, persons with disabilities or members of visible minorities as directors. Historically, the Corporation has not felt that such a policy was needed. However, the Corporation is currently considering the adoption of such a policy.

When the Board selects candidates for executive or senior management positions or for director positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Corporation's management or Board, as the case may be to perform efficiently and act in the best interest of the Corporation and its shareholders. The Corporation is aware of the benefits of diversity at the executive and senior management levels and on the Board, and therefore the level of representation of women, Aboriginal peoples, persons with disabilities and members of visible minorities is one factor taken into consideration during the search process for executive and senior management positions or for directors.

The Corporation has not adopted a "target" number or percentage regarding women, Aboriginal peoples, persons with disabilities or members of visible minorities on the Board or in executive or senior management positions. The Corporation considers candidates based on their qualifications, personal qualities, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates. The Board does however aim to maintain a sufficient number of members that reside within a close proximity to its assets.

Compensation

The Board determines compensation for the directors and Chief Executive Officer.

Other Board Committees

The Board has no committees other than the audit committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the audit committee.

STATEMENT OF EXECUTIVE COMPENSATION

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the "Form"), as such term is defined in National Instrument 51-102.

For the purposes of this Statement of Executive Compensation:

"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 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"NEO" or **"named executive officer"** 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 ("CEO"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;
- (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 that financial year;

- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not 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

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and directors of the Corporation for the two completed financial years ended December 31, 2021 and December 31, 2020. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended December 31, 2021, based on the definition above, the NEOs of the Corporation were: Dr. Peter Craig Gibson, President and Chief Executive Officer of the Corporation, and Mr. Salvador Miranda, Chief Financial Officer and Corporate Secretary of the Corporation. The Directors of the Corporation who were not NEOs during the financial year ended December 31, 2021 were Mr. Jean-François Meilleur, Ms. María Guadalupe Yeomans Otero and Mr. Jorge Rafael Gallardo Romero.

During the financial year ended December 31, 2020, based on the definition above, the NEOs of the Corporation were: Dr. Peter Craig Gibson, President and Chief Executive Officer of the Corporation, and Mr. Salvador Miranda, Chief Financial Officer and Corporate Secretary of the Corporation. The Directors of the Corporation who were not NEOs during the financial year ended December 31, 2021 were Mr. Jean-François Meilleur, Ms. María Guadalupe Yeomans Otero and Mr. Jorge Rafael Gallardo Romero.

Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2021 and 2020

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation ⁽²⁾ (\$)
Peter Craig Gibson, Director, CEO	2021	6,085 ⁽³⁾	Nil	Nil	Nil	19,400 ⁽²⁾	25,485
	2020	15,367 ⁽³⁾	Nil	Nil	Nil	44,050 ⁽²⁾	59,687
Salvador Miranda, CFO	2021	20,656	Nil	Nil	Nil	Nil	20,656 ⁽⁴⁾
	2020	24,968	Nil	Nil	Nil	Nil	24,968 ⁽⁴⁾
Jean-François Meilleur, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
María Guadalupe Yeomans Otero Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Jorge Rafael Gallardo Romero, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation ⁽²⁾ (\$)

Notes:

- (1) Includes the dollar value of cash and non-cash based salary earned during a financial year covered.
- (2) These amounts include all amounts set out in table form for each NEO and executive officer. A total of \$19,400 was paid or accrued to ProDeMin during 2021 in connection to exploration-related work and reimbursement of certain expenses. A total of \$44,040 was invoiced by ProDeMin in connection to exploration-related work done during 2020 at the Palos Verdes property.
- (3) The amount of \$6,085 (USD \$4,800) corresponds to consulting services done by Dr. Gibson during 2021. The amount of \$15,367 paid to Dr. Gibson corresponds to supervision services during the 2020 drilling activity for the Corporation's Palos Verdes property.
- (4) These funds were paid to InterAmerica Consulting & Development Inc. ("**InterAmerica**"), a company controlled by Salvador Miranda for administration fees. Mr. Miranda resigned from his office of Chief Financial Officer effective January 22, 2022.

Stock Options and Other Compensation Securities

During the financial year ended December 31, 2021, no compensation securities were granted to any NEO or director of the Company.

Exercise of Compensation Securities by NEOs and Directors

There were no options exercised by an NEO or a director of the Corporation who was not an NEO of the Corporation during financial years ended December 31, 2021 and 2020.

Employment, Consulting and Management Agreements

Potential Payments upon Termination

There were no consulting and management agreements to December 31, 2021.

Oversight and Description of Director and NEO Compensation

The Board has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Corporation's base compensation structure and equity-based compensation program, recommending compensation of the Corporation's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

The Board has not considered the implications of the risks associated with the Corporation's compensation program.

The Corporation intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Corporation's compensation program and how it might mitigate those risks. The Corporation is a junior natural resource issuer whose shares are listed on the NEX. The Corporation's principal objective is to identify potential mineral property transactions as a means to enhance shareholder value. In this context, the Corporation has a modest management team consisting of the CEO and CFO, who are retained on a consulting contract basis, supplemented where necessary by members of the Board. The Corporation's compensation scheme is designed to reward the NEOs for meeting the Corporation's principal objective while maintaining its status as a reporting issuer, and consists of three elements – a base salary, incentive stock options, and

bonus compensation.

The CEO's compensation was determined by negotiation between the CEO and the majority shareholder of the Corporation, subject to the approval of the Board. The CFO's compensation was established by the CEO subject to the approval of the Board. The base salary element of compensation is designed to ensure the Corporation is able to retain qualified individuals to act as its CEO and CFO, and was established by arm's length negotiation with the NEOs. The Corporation grants stock options to the NEOs as a means of aligning management interests with those of the Corporation's shareholders.

Option-Based Awards

The long-term component of compensation for senior officers, including the NEOs, is based on Security-Based Compensation Awards (as defined herein). This component of compensation is intended to reinforce management's commitment to long term improvements in the Corporation's performance.

The Board believes that incentive compensation in the form of Security-Based Compensation Awards which vest over time, is and has been beneficial and necessary to attract and retain both senior executives and managerial talent at other levels. Furthermore, the Board believes Security-Based Compensation Awards are an effective long-term incentive vehicle because they are directly tied to share price over a longer period and motivate executives to deliver sustained long term performance and increase shareholder value, and have a time horizon that aligns with long-term corporate goals.

As part of the Corporation's evolving compensation practices, the Board adopted a new LTIP on August 31, 2022 as a means to grant or award Security-Based Compensation Awards. In determining individual grants, the Board considers the experience, responsibilities and performance of each recipient of an award under the LTIP. Previous grants are also taken into consideration during the grant process.

A brief summary of the features of all types of Security-Based Compensation Awards is provided below and is qualified in its entirety by the provisions of the LTIP, a copy of the full text which is attached hereto as Appendix "B".

Options

Prior to the adoption of the LTIP, the only equity compensation plan which the Corporation had in place was its share option plan dated for reference September 8, 2020, (the "**Existing Option Plan**"). The Existing Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Existing Option Plan was administered by the Board. The Existing Option Plan provided that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Existing Option Plan provided that the number of Common Shares issuable under the Existing Option Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than ten years after the date of grant of such option. Vesting is determined by the Board.

Key Employees, Directors, Consultants and Persons performing Investor Relations Services (as such terms are defined in the LTIP) are eligible to receive grants of Options to acquire shares of the Corporation at the time of employment or contract, if applicable, and thereafter as determined by the Board.

During the year ended December 31, 2021, no stock options to purchase Shares were granted to directors, officers and consultants. No options expired.

During the year ended December 31, 2020, an aggregate of 1,450,000 stock options to purchase Shares were granted to directors, officers and consultants. No options expired.

Restricted Share Units

Key Employees and Directors (as such terms are defined in the LTIP), are eligible to receive grants of RSUs, entitling the holder to receive one Common Share for each RSU, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement. The Board believes the granting of RSUs creates long-term incentive, a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of RSUs is intended to reward those executives who are responsible for the management and growth of the Corporation and to encourage such executives to develop a long-term vision for the Corporation to operate in a manner to maximize Shareholder value. By using vesting periods for RSUs in addition to other restrictions, this compensation element is also designed to support long term retention of valuable Key Employees and Directors as well as provide an incentive for the achievement of specific milestones, if applicable.

No RSUs have been awarded as of the date of this Circular.

Performance Share Units

Key Employees and Directors are eligible to receive grants of PSUs, entitling the holder to receive one Common Share for each PSU, subject to the achievement or attainment of specific performance criteria ("**Performance Criteria**") within a specific period ("**Performance Cycle**"). The number of PSUs and the Performance Criteria which must be satisfied in order for the PSUs to vest and the Performance Cycle in respect of such PSUs shall be specified in the applicable award agreement. The Board believes the granting of the PSUs incentivizes the attainment of specific goals which support the overall strategies of the Corporation and creates a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of PSUs is intended to reward those executives who are responsible for the management and growth of the Corporation and to encourage such executives to develop a long-term vision for the Corporation to operate in a manner to maximize Shareholder value. By using vesting periods for PSUs in addition to other restrictions, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No PSUs have been awarded as of the date of this Circular.

Deferred Share Units

Key Employees and Directors are eligible to receive grants of DSUs. Directors may elect to receive any part or all of their fees payable in respective of their position as a director as DSUs. Each holder of a DSU is entitled to receive one Common Share for each DSU. The Board believes the granting of DSUs creates long-term incentive, a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of DSUs is intended to reward directors who are responsible for oversight of the management and growth of the Corporation and to encourage such directors to maintain a long-term vision for the Corporation to operate in a manner to maximize Shareholder value.

No DSUs have been awarded as of the date of this Circular.

Stock Appreciation Rights

Key Employees and Directors are eligible to receive grants of SARs, entitling the recipient to receive a payment in Common Shares equal to the Current Market Price less the grant price of the SAR as determined by the Board at the time of the grant for each SAR. Notwithstanding the foregoing, the Board may, in its sole discretion, satisfy payment of the entitlement in cash rather than in Common Shares. The granting of SARs is intended to reward those executives who are responsible for the management and growth of the Corporation and to encourage such executives to develop a long-term vision of the Corporation to operate in a manner to maximize Shareholder value. By using vesting periods for SARs, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No SARs have been awarded as of the date of this Circular.

Pension Disclosure

The Corporation does not have a pension plan and does not pay pension benefits to any of its NEOs.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See “*Statement of Executive Compensation – Option-Based Awards*” for disclosure on the Corporation’s Plan.

Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders (the Existing Option Plan)	1,450,000	\$0.125	336,205
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	1,450,000	N/A	336,205

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended December 31, 2021, or has any interest in any material transaction in the current year other than as set out herein or in a document disclosed to the public.

As at the year ended December 31, 2021:

- (a) The Corporation paid \$20,656 (2020: \$24,968) in management fees to InterAmerica Consulting & Development Inc., a company controlled by Salvador Miranda, former CFO.
- (b) The Corporation paid \$6,085 (US\$4,800) (2020: \$15,367 (US\$12,000)) to Dr. Peter Craig Gibson for consulting services and for supervising the drilling campaign at the Corporation's Palos Verdes property in Mexico.
- (c) During 2021, the Corporation paid \$19,400 to ProDeMin, a company controlled by Dr. Gibson, for contracting services and reimbursement of certain expenses related to the drilling campaign in the Palos Verdes property. No shares were issued to ProDeMin in 2021. During 2020, ProDeMin was paid a total of \$44,050 a company controlled by Dr. Gibson, for contracting services related to the drilling campaign in the Palos Verdes property.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Long-Term Incentive Plan

The Shareholders who are considered to be disinterested shareholders for the purpose hereunder will be asked to consider and, if thought appropriate, to approve the Corporation's long-term incentive plan (the "**LTIP**") in the form described herein. The resolution relating to the LTIP (the "**LTIP Resolution**") and a copy of the LTIP are annexed here as Appendix "A" and Appendix "B", respectively. As of the date of this Circular, no grants have been made under the LTIP. As of the date of this Circular, no grants have been made under the LTIP.

On August 31, 2022, the Board adopted a new long-term incentive plan for the Corporation (the "**LTIP**"). Prior to the adoption of the LTIP by the Board, the sole security-based compensation plan which the Corporation had available in order to attract, retain and motivate directors, officers, senior executives and other employees of the Corporation and consultants and service providers providing ongoing services to the Corporation, was the Existing Option Plan, pursuant to which the Board was able to grant stock options to such individuals. The Board determined it was in the best interests of the Corporation to adopt a new security-based compensation plan which would provide the Board with the ability and flexibility to make broader and different forms of equity rewards as part of its need to retain a competitive compensation structure for its directors, officers, executives, employees, consultants and service providers. The LTIP will supersede the Existing Option Plan and accordingly no further stock options will be granted under the latter plan.

Consequently, the Board adopted the LTIP as a means to grant: (i) stock options ("**Options**"), (ii) restricted share units ("**RSUs**"), (iii) deferred share units ("**DSUs**"), (iv) share appreciation rights ("**SARs**") and (v) performance stock units ("**PSUs**" and collectively with the Options, RSUs, DSUs and SARs, the "**Security-Based Compensation Awards**") to directors, officers, and other employees of the Corporation or a subsidiary, consultants and service providers providing ongoing services to the Corporation and its affiliates ("**Eligible Participants**").

Summary of the LTIP

Number of Common Shares Reserved

The LTIP is a "rolling" stock plan, permitting the issuance of (i) Options of up to ten (10%) percent of the issued and outstanding Common Shares and (ii) RSUs, DSUs, PSUs and SARs of up 2,922,872 in respect of awards granted.

Vesting

- All RSUs will vest and become payable by the issuance of Common Shares at the end of the Restriction Period.
- All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle.
- Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person for any reason or any other vesting period as provided in the Award Agreement, as the case may be, that number of Common Shares equal to the number of DSUs credited to the Participant's Account.
- The Board shall, in its sole discretion, determine any and all conditions to the vesting of any Options to a Participant.
- SARs 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 (10) years.

Transferability

Except as otherwise provided in an Award Agreement, 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.

Administration

The LTIP is administered by the Board.

Amendment

The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue the LTIP and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the CSE, and (b) any approval of disinterested shareholders of the Corporation as required by the rules of the CSE or applicable law, provided that disinterested 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:

- amendments of a "housekeeping nature";
- any amendment for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
- an amendment which is necessary to comply with applicable law or the requirements of the Exchange;
- amendments respecting administration and eligibility for participation under the LTIP;
- changes to the terms and conditions on which Awards may be or have been granted pursuant to the LTIP including changes to the vesting provisions and terms of any Awards;
- any amendment which alters, extends or accelerates the terms of vesting applicable to any Award; and
- changes to the termination provisions of an Award or the LTIP which do not entail an extension beyond the original fixed term.

Term

The LTIP shall terminate automatically ten (10) years after its effective date or if any approvals required by the CSE are not obtained on the terms and conditions required thereby.

See «*Statement of Executive Compensation* » as well as a full copy of the LTIP attached hereto as Appendix «B», which qualifies the foregoing summary in its entirety.

Shareholder Approval of the LTIP

The LTIP Resolution shall need to be passed by a majority of the votes cast at the Meeting by disinterested shareholders. The Eligible Participants are not disinterested shareholders and, as a result, they will not vote their Common Shares with respect to the LTIP Resolution. Based on available information, these excluded Shareholders and their respective associates and affiliates hold an aggregate of 3,796,500 Common Shares, representing 12.98% of the issued and outstanding common shares.

The form of the LTIP may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without further approval of the shareholders of the Corporation.

Unless instructed otherwise, the persons whose names are printed on the form of proxy intend to vote at the Meeting FOR the approval of the LTIP Resolution. The LTIP Resolution will only come into force if it is passed by a majority of the votes cast by the disinterested shareholders present or represented by proxy at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the Corporation's audited financial statements for the financial year ended December 31, 2021, the report of the auditor and related management discussion and analysis, which were filed on SEDAR on May 2, 2022. Anyone may access these financial documents at www.sedar.com under "Company Profiles", Public Companies – G, then select the Corporation's SEDAR profile, select "Audited annual financial statements" and "MD&A". Copies of the Corporation's interim financial statements and related management discussion and analysis, as well as additional information, may also be obtained from SEDAR at www.sedar.com. Paper copies of the Corporation's annual and interim financial statements may also be obtained upon request from the Corporation's Chief Financial Officer, telephone number 416 848-0106 or email at carm@marrellisupport.ca

Copies of the above documents will be provided, upon request, free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Management Proxy Circular.

SHAREHOLDER PROPOSALS

Pursuant to the *Canada Business Corporations Act* (CBCA) and the regulations thereto, shareholder proposals to be considered for inclusion in the management proxy circular for the 2021 annual meeting of the Corporation, expected to be held in on September 29, 2022, must be received by Monique Hutchins, Corporate Secretary of the Corporation, on or before the close of business on September 18, 2022.

DIRECTORS' APPROVAL

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, August 31, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

Peter Craig Gibson
President and Chief Executive Officer

APPENDIX “A”

**ORDINARY RESOLUTION
RELATING TO THE LONG TERM INCENTIVE PLAN OF THE CORPORATION**

WHEREAS on August 31, 2022, the Board of Directors of Prismo Metals Inc. (the “**Corporation**”) adopted the long-term incentive plan (the “**LTIP**”) described in the Management Information Circular of the Corporation dated August 31, 2022, subject to the approval of the disinterested shareholders;

THEREFORE, BE IT RESOLVED:

THAT the LTIP be and is hereby approved; and

THAT the Secretary of the Corporation be and is hereby authorized and directed to execute any document and do any other thing necessary or desirable to give full effect to this resolution.

APPENDIX “B”

LONG-TERM PERFORMANCE INCENTIVE PLAN

[see following pages]

PRISMO METALS INC.
(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, Consultants and Persons providing Investor Relations Activities 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 6 - *Distributions* of the Exchange (the "**Policy**").

This Plan is a "rolling" stock plan permitting the issuance of (i) Options of up to ten (10%) percent of the issued and outstanding Shares and (ii) Restricted Share Units, Performance Share Units, Deferred Share Units and Stock Appreciation Rights of up to a fixed amount in respect of Awards granted hereunder.

SECTION 2. DEFINITIONS

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

- (a) "**Option Plan**" means the Company's current Stock Option Plan dated September 8, 2020, as may be amended or restated from time to time;
- (b) "**Associate**" has the meaning ascribed thereto in the Securities Act;
- (c) "**Award**" means any award of RSUs, PSUs, DSUs, Options or SARs granted under this Plan;
- (d) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (e) "**Board**" means the board of directors of the Company;
- (f) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company

because they may be in possession of publicly undisclosed confidential information pertaining to the Company;

(g) **"Cessation Date"** means, the effective date on which a Participant ceases to be a Director or a Key Employee, where applicable, of the Company or a Subsidiary for any reason;

(h) **"Change of Control"** means the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of the Shares. " Person" for the purpose of this provision includes, but is not limited to, any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted; a change in the majority of the Company's Board taking place over a period of six (6) months or less; a merger or consolidation, after which the Company's Shareholders no longer control the Company; and/or the sale of all or substantially all of the Company's assets or the liquidation of the Company, except where the sale is to an affiliate of the Company.

(i) **"Committee"** means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;

(j) **"Company"** means Prismo Metals Inc., a company incorporated under the *Canada Business Corporations Act*, and any of its successors or assigns;

(k) **"Consultant"** means a Person (other than a Key Employee or Director) that:

(i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or an affiliate of the Company, other than services provided in relation to a distribution (as defined in the Securities Act);

(ii) provides the services under a written contract between the Company or an affiliate of the Company and the Person, as the case may be;

(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 an affiliate of the Company; and

(iv) has a relationship with the Company or an affiliate of the Company that enables the Person to be knowledgeable about the business and affairs of the Company,

and:

(v) if the Person is an individual, includes a corporation of which such individual is an employee or Shareholder, and a partnership of which the individual is an employee or partner; and

(vi) if the Person is not an individual, includes an employee, executive officer or director of the Consultant, provided that the individual employee, executive officer or director

spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company;

(l) **"Current Market Price"** means the five-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;

(m) **"Deferred Share Unit" or "DSU"** means a right to receive on a deferred basis a payment in Shares as provided in Subsection 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;

(n) **"Determination Date"** means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;

(o) **"Director"** means a member of the Board;

(p) **"Disability"** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than one year, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Board, acting reasonably, determines constitutes a disability;

(q) **"Disinterested Shareholders 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 Options may be granted under this Plan and Associates and Affiliates of such Insiders;

(r) **"Effective Date"** has the meaning ascribed thereto in Section 8;

(s) **"Election Form"** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;

(t) **"Eligible Person"** means a Director and a Key Employee of the Company and its Subsidiaries;

(u) **"Exchange"** means the Canadian Securities Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;

(v) **"Fees"** means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;

(w) **"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;

(x) **"Hold Period"** means the four month resale restriction that may be imposed by the Exchange on the shares;

- (y) **"Incentive Securities"** means the Options, DSUs, RSUs, PSUs and SARs issuable to any Participant under this Plan;
- (z) **"Insider"** means any insider, as that term is defined in the Securities Act;
- (aa) **"Insider Participant"** means a Participant who is an (i) Insider of the Company or of a Subsidiary, and (ii) Associate of any person who is an Insider by virtue of (i);
- (bb) **"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
- (cc) **"Key Employees"** means employees, including officers, 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;
- (dd) **"Option"** means incentive share purchase options entitling the holder thereof to purchase Shares;

- (ee) **"Participant"** means any Eligible Person, Consultant or Persons performing Investor Relations Activities to whom Awards under this Plan are granted;
- (ff) **"Participant's Account"** means a notional account maintained for each Participant's participation in this Plan which will show any Incentive Securities credited to a Participant from time to time;
- (gg) **"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 PSUs;
- (hh) **"Performance Cycle"** means the applicable performance cycle of the PSUs as may be specified by the Board in the applicable Award Agreement;
- (ii) **"Performance Share Unit" or "PSU"** means a right awarded to a Participant to receive a payment in Shares as provided in Subsection 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (jj) **"Person"** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (kk) **"Restriction Period"** means the time period between the Grant Date and the Vesting Date of an Award of RSUs specified by the Board in the applicable Award Agreement, which period shall not be less than twelve (12) months, provided the Board may, in its discretion, permit earlier vesting, no sooner than quarterly, of the RSUs;
- (ll) **"Restricted Share Unit" or "RSU"** means a right awarded to a Participant to receive a payment in Shares as provided in Subsection 5.1 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (mm) **"Retirement"** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (nn) **"Stock Appreciation Right" or "SAR"** means a right awarded to a Participant to receive a payment in Shares as provided in Subsection 5.5.1 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (oo) **"SAR Amount"** has the meaning set out in Subsection 5.5.3;
- (pp) **"SAR Grant Price"** has the meaning set out in Subsection 5.5.2;
- (qq) **"Securities Act"** means the *Securities Act* (British Columbia), as amended, from time to time;
- (rr) **"Shareholder"** means a registered or beneficial holder of Shares or, if the context requires, other securities of a Company.

(ss) **"Shares"** means the common shares of the Company;

(tt) **"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

(uu) **"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 his or her services are no longer required;

(vv) **"Trading Day"** means any date on which the Exchange is open for trading; and

(ww) **"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.

SECTION 3. ADMINISTRATION

3.1 **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.

3.2 **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.

3.3 **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.

3.4 **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

4.1 LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.

4.1.1 In respect of Options, so long as it may be required by the rules and policies of the Exchange:

- (a) the aggregate number of Shares issuable under this Plan in respect of Options shall not exceed ten (10%) percent of the Company's issued and outstanding Shares at any point in time;
- (b) the total number of Options issuable to any Consultant under this Plan shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve (12) month period;
- (c) the total number of Options issuable to Persons performing Investor Relations Activities shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve (12) month period; and

4.1.2 In respect of DSUs, PSUs, RSUs and SARs:

- (a) the maximum aggregate number of Shares issuable under this Plan in respect of DSUs, PSUs, RSUs and SARs shall not exceed 2,922,872 at any point in time, representing 10% of the issued and outstanding Shares of the Company at the Effective Date;
- (b) the total number of DSUs, RSUs, PSUs and SARs issuable to any Participant under this Plan shall not exceed two (2%) percent of the issued and outstanding Shares at the time of the Award;
- (c) any exercise of DSUs, PSUs, RSUs and SARs does not increase the available number of DSUs, PSUs, RSUs and SARs issuable under the Plan.

4.1.3 The total number of Incentive Securities combined issuable to any Participant under this Plan shall not exceed five (5%) percent of the issued and outstanding Shares in any twelve (12) month period;

4.1.4 The aggregated number of Shares issuable to Insiders upon the exercise of Incentive Securities granted under the Plan shall not exceed ten (10%) percent of the issued and outstanding Shares at any point in time;

4.1.5 The aggregate number of Awards issued to Insiders under the Plan within a twelve (12) month period shall not exceed ten (10%) percent of the issued and outstanding Shares, calculated on the Grant Date;

4.1.6 Consultants and Persons performing Investor Relations Activities may only receive Options as Awards under this Plan;

4.1.7 All Options granted to Consultants and Persons performing 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.

4.1.8 The total number of Incentive Securities issuable to a Director under this Plan (excluding, for this purpose, the Chairman of the Board, if any) shall not exceed three (3%) percent of the issued and outstanding Shares;

4.1.9 The 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 month Hold Period commencing from the Grant Date.

4.2 ACCOUNTING FOR AWARDS. For purposes of this Section 4:

4.2.1 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

4.2.2 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, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.

4.3 ANTI-DILUTION. If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or 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 Incentive Securities credited to a Participant. 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.

4.4 OPTION PLAN. From and after the Effective Date, the Option Plan shall be cancelled and deemed to be cancelled, and all awards granted hereunder shall be governed and deemed to be governed by the provisions of this Plan as existing Options under this Plan.

SECTION 5. AWARDS

5.1 RESTRICTED SHARE UNITS

5.1.1 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 RSUs to Eligible Persons. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions,

represent one (1) Share. The number of RSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.

5.1.2 RESTRICTIONS. RSUs 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.

5.1.3 VESTING. All RSUs 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.

5.1.4 CHANGE OF CONTROL. In the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Subsection 5.1.9.

5.1.5 DEATH. Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs 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 his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs 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 Subsection 5.1.9 hereof.

5.1.6 TERMINATION OF EMPLOYMENT OR SERVICE.

(a) Where, in the case of Key Employees, 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 Participant's breach, all RSUs 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, a Participant's employment contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and 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 RSUs 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 Subsection 5.1.9 hereof.

(c) Upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of RSUs under this Plan shall cease as of the Termination Date.

5.1.7 **DISABILITY.** Where, in the case of Key Employees, a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where, in the case of Key Employees, a Participant's employment or consulting contract is terminated due to Disability, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and 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 RSUs 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 Subsection 5.1.9 hereof.

5.1.8 **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and 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 RSUs 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 Subsection 5.1.9 hereof.

5.1.9 **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of RSUs, and subject to the applicable Award Agreement, the Company shall issue from treasury to the Participant, or if Subsection 5.1.5 applies, to the Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the RSUs 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 RSUs. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement.

5.2 PERFORMANCE SHARE UNITS

5.2.1 **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 PSUs to Key Employees only. PSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of PSUs to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each PSU 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 PSUs granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the

PSUs to vest and the Performance Cycle in respect of such PSUs shall be specified in the applicable Award Agreement.

5.2.2 **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 PSUs, 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.

5.2.3 **VESTING.** All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date.

5.2.4 **CHANGE OF CONTROL.** In the event of a Change of Control, all PSUs 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 Subsection 5.2.8 hereof.

5.2.5 **DEATH.** Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all PSUs 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 his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs 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 PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.8 hereof.

5.2.6 **TERMINATION OF EMPLOYMENT OR SERVICE.**

(a) Where 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 PSUs 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 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 PSUs 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, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs 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 PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.8 hereof.

(c) Upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of PSUs under this Plan shall cease as of the Termination Date.

5.2.7 DISABILITY. Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting contract is terminated due to Disability, all PSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, 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, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs 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 PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.8 hereof.

5.2.8 PAYMENT OF AWARD. Subject to the applicable Award Agreement, payment to Participants in respect of vested PSUs 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 Subsection 5.2.5 applies, to the Participant's estate, a number of Shares equal to the number of PSUs that have vested. As of the Vesting Date, the PSUs 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 PSUs.

5.2.9 PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS. At the time that a PSU 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.

5.2.10 ADJUSTMENT OF PERFORMANCE SHARE UNITS. 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 PSUs downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

5.3 DEFERRED SHARE UNITS

5.3.1 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 DSUs to Eligible Persons. Eligible Persons become Participants effective as of the date he or she is first appointed or elected as a Director or employed as a Key Employee and cease to be Participants on the Cessation Date for any reason. DSUs granted to a Participant in accordance with Subsection 5.3 hereof shall be credited, as of the Grant Date, to the Participant's Account.

5.3.2 ELECTION. Each Director may elect to receive any part or all of his or her Fees in DSUs under this Plan. Elections by Participants regarding the amount of their Fees that they wish to receive in DSUs shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of his or her Fees for the remainder of that year in DSUs must make his or her election within 90 days of becoming a Director.

5.3.3 CALCULATION. The number of DSUs to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by an 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). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional DSU, the Participant shall only be credited with a full number of DSUs (rounded down) and no payment or other adjustment will be made with respect to the fractional DSU.

5.3.4 CHANGE OF CONTROL. In the event of a Change of Control, all DSUs granted to a Participant shall become fully vested in such Participant and shall become payable to the Participant in accordance with Subsection 5.3.5 hereof.

5.3.5 PAYMENT OF AWARD. Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an Eligible Person 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 then ninetieth (90) day following the year of the Cessation Date and no later than the end of the calendar year following the year 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, that number of Shares equal to the number of DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company.

5.3.6 DEATH. Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death, such Shares that would have otherwise been payable in accordance with Subsection 5.3.4 hereof to the Participant upon such Participant ceasing to be a Director or Key Employee.

5.4 OPTIONS

5.4.1 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, Consultants and Persons performing Investor Relations Activities, provided that such Eligible Persons, Consultants and Persons performing Investor Relations Activities are determined by the Board to be *bona fide* Eligible Persons, Consultants and Persons performing Investor Relations Activities, 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.

5.4.2 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. 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 Shareholders Approval in respect of any reduction in the exercise price of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction, if and to the extent required by the rules and policies of the Exchange.

5.4.3 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 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.

5.4.4 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.

5.4.5 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 Participants 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.

5.4.6 CHANGE OF CONTROL. In the event of a Change of Control, each outstanding Option issued to Eligible Persons, Consultants and Persons performing Investor Relations Activities, 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.

5.4.7 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 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.

5.4.8 TERMINATION OF EMPLOYMENT OR SERVICE.

(a) Where, in the case of Key Employees, Consultants or Persons performing Investor Relations Activities, a Participant's employment is terminated by the Company or a Subsidiary for cause, or 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, Consultants or Persons performing Investor Relations Activities, a Participant's employment or 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 90 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, Consultants or Persons performing Investor Relations Activities, 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, Consultants or Persons performing Investor Relations Activities, a Participant's employment or 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 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.

5.4.9 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 90 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 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.

5.5 STOCK APPRECIATION RIGHTS

5.5.1 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 SARs to Eligible Persons, either on a stand-alone basis or in relation to any Option. 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.

5.5.2 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. 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.

5.5.3 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.

5.5.4 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, that 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.

5.5.5 TERMS OF SARS GRANTED ON A STAND-ALONE BASIS. SARs 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 (10) years.

5.5.6 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. When 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.

5.5.7 CHANGE OF CONTROL. In the event of a Change of Control, 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.

5.5.8 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 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.

5.5.9 TERMINATION OF EMPLOYMENT OR SERVICE.

(a) Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, 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, a Participant's employment 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 90 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, 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, a Participant's employment is terminated due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 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.

5.5.10 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 90 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 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.

5.6 GENERAL TERMS APPLICABLE TO AWARDS

5.6.1 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.

5.6.2 AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER. Without limiting Subsection 5.5, Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award. Awards granted in addition to or in tandem with other Awards, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

5.6.3 NON-TRANSFERABILITY OF AWARDS. Except as otherwise provided in an Award Agreement, 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 Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.

5.6.4 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; (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.

5.6.5 **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.

5.6.6 **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.

SECTION 6. AMENDMENT AND TERMINATION

6.1 **SHAREHOLDER APPROVAL OF PLAN.** This Plan is subject to Disinterested Shareholders Approval. Any Options granted under this Plan prior to receipt of Disinterested Shareholders Approval will not be exercisable or binding on the Company unless and until such approvals are obtained. DSUs, PSUs, RSUs and SARs cannot be granted under this Plan prior to receipt of Disinterested Shareholders Approval.

6.2 **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any approval of Disinterested Shareholders of the Company as required by the rules of the Exchange or applicable law, provided that Disinterested 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:

6.2.1 amendments of a "housekeeping nature";

6.2.2 any amendment for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;

6.2.3 an amendment which is necessary to comply with applicable law or the requirements of the Exchange;

6.2.4 amendments respecting administration and eligibility for participation under this Plan;

6.2.5 changes to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including changes to the vesting provisions and terms of any Awards;

6.2.6 any amendment which alters, extends or accelerates the terms of vesting applicable to any Award; and

6.2.7 changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

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

6.3 **AMENDMENTS TO AWARDS.** 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

7.1 **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant, Persons performing Investor Relations Activities 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, Persons performing Investor Relations Activities or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient.

7.2 **WITHHOLDING.** 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:

7.2.1 electing to have the Company require the sale of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount of tax required to be withheld, or

7.3 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.

7.4 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.

7.5 NO RIGHT AS 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.

7.6 CURRENCY. Unless expressly stated otherwise, all dollars amounts in this Plan are in Canadian dollars.

7.7 GOVERNING LAW. This Plan and all of the rights and obligations arising here from shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

7.8 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.

7.9 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.

7.10 **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.

7.11 **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.

7.12 **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.

7.13 **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 Awards under this Plan.

7.14 **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.

7.15 **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:

7.15.1 obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

7.15.2 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 affirmative vote of the majority of the Shares represented at the meeting of the Shareholders of the Company at which 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.