

## COMMERCE RESOURCES CORP.

1450 - 789 West Pender Street  
Vancouver, BC V6C 1H2  
604.484.2700

### INFORMATION CIRCULAR

**April 5, 2024**

#### INTRODUCTION

This Information Circular accompanies the Notice of Annual General Meeting (the “**Notice**”) and is furnished to shareholders holding common shares (the “**Shares**”) in the capital of Commerce Resources Corp. (the “**Company**” or “**Commerce**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the “**Meeting**”) of the shareholders to be held at 4:00 p.m. (Vancouver time) on **May 8, 2024** at the offices of the Company, Suite 1450 - 789 West Pender Street, Vancouver, BC V6C 1H2 or at any adjournment or postponement thereof.

#### COVID-19

In view of COVID-19, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). The Company encourages shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak.

#### Date and Currency

The date of this Information Circular is **April 5, 2024**. Unless otherwise stated, all amounts herein are in Canadian Dollars.

#### PROXIES AND VOTING RIGHTS

##### Management Solicitation

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

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

## **Appointment of Proxy**

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

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

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

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

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

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

## **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder’s attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law. Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

## **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. **The Shares represented by a proxy will be voted or withheld from voting in**

**accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

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

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

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

#### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder’s name on the records of the Company. Such Shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Shares voted at the Meeting.**

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

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

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

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

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

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

The Company is authorized to issue an unlimited number of Shares without par value. As of the Record Date, determined by the Company's board of directors (the "**Board**") to be the close of business on **March 28, 2024**, a total of 99,846,805 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

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

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

#### **RECEIPT OF FINANCIAL STATEMENTS**

The directors will place before the Meeting the audited consolidated financial statements for the financial year ended October 31, 2023 together with the auditors' reports thereon.

#### **ELECTION OF DIRECTORS**

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Company (the "**Articles**") or with the provisions of applicable corporate legislation. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board.

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors for the ensuing year at five. The number of directors will be approved if the affirmative vote of the majority of Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at five.

The Company's Articles contain an advance notice provision (the "**Advance Notice Provision**") of the nomination of directors in certain circumstances. To be timely, the advance notice by the nominating shareholder (the "**Nominating Shareholder**") must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 and not more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder is to be made not later than the close of business on the 10th day after the Notice Date in respect of such meeting; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

No nominations of directors for the Meeting by the Nominating Shareholders were received in accordance with the provisions of the Advance Notice Provision.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province or State, Country of Residence and Position(s) with the Company <sup>(1)</sup>	Periods during which Nominee has Served as a Director	Present Principal Occupation, Business or Employment of each Director and Proposed Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<b>Christopher Grove</b> <sup>(2)</sup>  <i>President Chief Executive Officer and Director</i> British Columbia, Canada	November 16, 2012	Businessperson; President of the Company since September 2014, a director since November 2012; Director of Zimtu Capital Corp. and director of Swmbrd Sports Inc.	89,160 <sup>(3)</sup>
<b>Jeremy Robinson</b> <sup>(2)</sup>  <i>Director</i> Australia	November 1, 2023	Businessperson, Principal of Churchill Strategic Investments Group, director of RareX Limited (ASX:REE), Cosmos Exploration Limited (ASX:C1X), Kincora Copper Limited (ASX:KCC), Brazilian Critical Minerals Limited (ASX:BCM) and Ardiden Limited (ASX:ADV).	3,193,750 <sup>(4)</sup>
<b>Jody Dahrouge</b>  <i>Director</i> Alberta, Canada	January 28, 2000	Professional Geologist; Principle of Dahrouge Geological Ltd.; director of Eagle Bay Resources Corp.	4,293,000 <sup>(5)</sup>

Name, Province or State, Country of Residence and Position(s) with the Company <sup>(1)</sup>	Periods during which Nominee has Served as a Director	Present Principal Occupation, Business or Employment of each Director and Proposed Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<b>Ian Graham</b> <sup>(2)</sup>  <i>Director</i> British Columbia, Canada	October 19, 2009	Businessperson, Geologist; President and Director of Oroco Resource Corp.; director of Fidelity Minerals Corp.; Director of Pantera Silver Corp.; director of Green Battery Minerals Inc., President of nKwazi Resource Management Inc. a private company providing consulting services to the mining and exploration industry.	Nil <sup>(6)</sup>
<b>Adam Ritchie</b>  <i>Director</i> Australia	January 15, 2024	Professional Engineer; Managing Director of Loyal Lithium Limited.	500,000 <sup>(7)</sup>

<sup>(1)</sup> The information as to country of residence and principal occupation, and Shares beneficially owned or over which a director exercises control or direction, as at March 28, 2024, not being within the knowledge of the Company, has been furnished by the respective nominees as at the date of this Information Circular.

<sup>(2)</sup> Member of the audit committee

<sup>(3)</sup> Mr. Grove holds 825,000 stock options exercisable into Shares which are not included in the total.

<sup>(4)</sup> Mr. Robinson owns no shares of the Company directly. Churchill Strategic Investments Group Pty Ltd. (“**Churchill**”), a private company of which Mr. Robinson owns 50% of the issued shares, owns 6,387,500 common shares of the Company. Mr. Robinson’s proportionate share of Churchill’s shareholdings in the Company has been included as indirect holdings.

<sup>(5)</sup> 100,000 of these Shares are held directly by Mr. Dahrouge and 4,193,000 of these Shares are held indirectly through Dahrouge Geological Consulting Ltd., a company wholly owned by Mr. Dahrouge. Mr. Dahrouge holds: (i) 300,000 stock options which are exercisable into Shares, (ii) 450,000 share purchase warrants held indirectly through 2306775 Alberta Ltd. a company wholly owned by Mr. Dahrouge, which are exercisable into Shares, (iii) 3,000,000 share purchase warrants held indirectly through Dahrouge Geological Consulting Ltd., which are exercisable into Shares, and (iv) 1,308,000 share purchase warrants that are exercisable into Shares, which are not included in the total

<sup>(6)</sup> Mr. Graham holds 300,000 stock options exercisable into Shares that are not included in the total.

<sup>(7)</sup> Mr. Ritchie holds 500,000 stock options exercisable into Shares that are not included in the total.

The term of office of those nominees set out above, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Articles, or with the provisions of applicable corporate legislation or until such director’s earlier death, resignation or removal.

**Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.**

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

## **Orders**

Except as listed below, no proposed director of the Company is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer or chief financial officer of any company that:

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

For the purposes of the above, “**order**” means:

- (a) a cease trade order;
- (b) an order similar to access trade order; or
- (c) an order that denied the relevant company access to any exemption and securities legislation, that was in effect for a period of more than 30 consecutive days.

Ian Graham was a director of Cache Exploration Inc. when it was subject to a cease trade order issued by the British Columbia Securities Commission on January 28, 2021 for failure to file financial statements and management’s discussion and analysis for the period ended September 30, 2020 within the prescribed time period. The cease trade order was revoked on April 6, 2021. Ian Graham was a director of Spey Resources Corp. (CSE) when it was subject to a cease trade order issued by the British Columbia Securities Commission on August 12, 2021 in connection with disclosure regarding that company’s acquisition of Tech One Lithium Resources Corp. The order was revoked effective August 12, 2022.

The above information was provided by individual directors of the Company.

## **Bankruptcies**

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

No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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.

The above information was provided by individual directors of the Company.

## **Penalties or Sanctions**

No proposed director of the Company has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security-holder in deciding whether to vote for a proposed director.

The above information was provided by individual directors of the Company.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purpose of this Information Circular:

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

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

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

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

- (a) each individual who served as chief executive officer (**“CEO”**) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (**“CFO”**) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than 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, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

#### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company:



Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Axel Hoppe <sup>(2)</sup> Former Chairman and Former Director	2023	Nil	Nil	Nil	Nil	45,291	45,291
	2022	Nil	Nil	Nil	Nil	25,246	25,246
David Hodge <sup>(3)</sup> Former CEO and Director	2023	Nil <sup>(9)</sup>	Nil	Nil	Nil	Nil	Nil
	2022	Nil <sup>(9)</sup>	Nil	Nil	Nil	Nil	Nil
Chris Grove <sup>(4)</sup> President and Director	2023	170,000 <sup>(10)</sup>	Nil	Nil	Nil	Nil	170,000
	2022	150,000 <sup>(10)</sup>	Nil	Nil	Nil	Nil	125,000
Jody Bellefleur <sup>(5)</sup> CFO	2023	Nil <sup>(11)</sup>	Nil	Nil	Nil	Nil	Nil
	2022	Nil <sup>(11)</sup>	Nil	Nil	Nil	Nil	Nil
Jody Dahrouge <sup>(6)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Ian Graham <sup>(7)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Jeremy Robinson <sup>(8)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) Axel Hoppe was the Chairman and director of the Company from April 22, 2008 to November 1, 2023.

(3) David Hodge was the CEO of the Company from May 8, 2009 to June 22, 2023 and has been a director since May 19, 1999.

(4) Chris Grove has been the President of the Company since September 12, 2014, CEO of the Company since June 22, 2023 and a director since November 16, 2012.

(5) Jody Bellefleur has been the CFO of the Company since October 19, 2010.

(6) Jody Dahrouge has been a director of the Company since January 28, 2000.

(7) Ian Graham has been a director of the Company since October 19, 2009.

(8) Jeremy Robinson has been a director of the Company since November 1, 2023.

(9) Pursuant to an employment agreement between the Company and Mr. Hodge dated August 28, 2019, Mr. Hodge received an annual base salary of \$90,000, which salary was paid by Zimtu. See "Employment, Consulting and Management Agreements". Mr. Hodge resigned as a director and officer of the Company on June 22, 2023. As a result of Mr. Hodge's resignation, his employment agreement was terminated pursuant to the terms thereof, and no additional amounts were paid to Mr. Hodge after June 22, 2023.

(10) See "Oversight and Description of Director and NEO Compensation" below. For November and December 2020, Chris Grove was employed by Zimtu Capital Corp. ("**Zimtu**") and the Company paid Zimtu to cover his salary. Effective January 1, 2021, Chris Grove became an employee of the Company, and is paid a rate of \$12,500 per month. Effective January 1, 2021, Mr. Grove's monthly fee was increased to \$14,500.

(11) Pursuant to an employment agreement between the Company and Ms. Bellefleur dated August 28, 2019, Ms. Bellefleur receives an annual base salary of \$75,000, which salary is paid by Zimtu. See "Employment, Consulting and Management Agreements".

## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof, in the year ended October 31, 2023 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price \$	Closing Price of Security or Underlying Security on Date of Grant \$	Closing Price of Security or Underlying Security at Year End \$	Expiry Date
Axel Hoppe <sup>(1)</sup> <i>Chairman</i>	Stock Options	250,000/250,000/0.25%	February 21, 2023	0.185	0.185	0.10	February 21, 2025
David Hodge <sup>(2)</sup> <i>Former CEO and Director</i>	Stock Options	300,000/300,000/0.30%	February 21, 2023	0.185	0.185	0.10	February 21, 2025
Chris Grove <sup>(3)</sup> <i>President, CEO and Director</i>	Stock Options	500,000/500,000/0.50%	February 21, 2023	0.185	0.185	0.10	February 21, 2025
Jody Bellefleur <sup>(4)</sup> <i>CFO</i>	Stock Options	300,000/300,000/0.30%	February 21, 2023	0.185	0.185	0.10	February 21, 2025
Jody Dahrouge <sup>(5)</sup> <i>Director</i>	Stock Options	100,000/100,000/0.10%	February 21, 2023	0.185	0.185	0.10	February 21, 2025
Ian Graham <sup>(6)</sup> <i>Director</i>	Stock Options	100,000/100,000/0.10%	February 21, 2023	0.185	0.185	0.10	February 21, 2025
Jeremy Robinson <i>Director</i>	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil

### As at October 31, 2023:

- (a) Axel Hoppe, the former Chairman and former director of the Company, owned an aggregate of 450,000 compensation securities, comprised solely of stock options, each of which are exercisable into one Share. Of these, 100,000 options are exercisable at a price of \$0.35 per Share until August 27, 2024, 100,000 options are exercisable at a price of \$0.23 per Share until December 8, 2023 and 250,000 options are exercisable at a price of \$0.185 per Share until February 21, 2025. Mr. Hoppe subsequently resigned as Chairman and a director of the Company on November 1, 2023 and entered into an independent consultant agreement on October 31, 2023 whereby any stock options that were granted to Mr. Hoppe remain in full force and effect.
- (b) David Hodge, the former CEO and a director of the Company, owned an aggregate of 600,000 compensation securities, comprised solely of stock options, each of which are exercisable into one Share. 100,000 options are exercisable at a price of \$0.35 per Share until August 27, 2024, 200,000 options are exercisable at a price of \$0.23 per Share until December 8, 2023 and 300,000 options are exercisable at a price of \$0.185 per Share until February 21, 2025;
- (c) Chris Grove, the CEO, President and a director of the Company, owned an aggregate of 1,025,000 compensation securities, comprised solely of stock options, each of which are exercisable into one Share.

Of these, 225,000 options are exercisable at a price of \$0.35 per Share until August 27, 2024, 300,000 options are exercisable at a price of \$0.23 per Share until December 8, 2023 and 500,000 options are exercisable at a price of \$0.185 per Share until February 21, 2025;

- (d) Jody Bellefleur, the CFO of the Company, owned an aggregate of 350,000 compensation securities, comprised solely of stock options, each of which are exercisable into one Share. Of these, 50,000 options are exercisable at a price of \$0.35 per Share until August 27, 2024 and 300,000 options are exercisable at a price of \$0.185 per Share until February 21, 2025;
- (e) Jody Dahrouge, a director of the Company, owned an aggregate of 300,000 compensation securities, comprised solely of stock options, each of which are exercisable into one Share. Of these, 100,000 options are exercisable at a price of \$0.35 per Share until August 27, 2024, 100,000 options are exercisable at a price of \$0.23 per Share until December 8, 2023 and 100,000 options are exercisable at a price of \$0.185 per Share until February 21, 2025; and
- (f) Ian Graham, a director of the Company, owned an aggregate of 200,000 compensation securities, comprised solely of stock options, each of which are exercisable into one Share. Of these, 100,000 options are exercisable at a price of \$0.23 per Share until December 8, 2023 and 100,000 options are exercisable at a price of \$0.185 per Share until February 21, 2025.

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

No NEO or director exercised any compensation securities, being solely comprised of stock options, during the year ended October 31, 2023.

#### **Stock Option Plans and Other Incentive Plans**

##### *Equity Incentive Plan*

The Company's current equity incentive plan (the "**2022 Equity Incentive Plan**"), which it adopted on June 6, 2022, is a "fixed" twenty (20%) percent plan under TSX Venture Exchange ("**TSXV**") Policy 4.4 that would permit the Company to grant the following kinds of security based incentive compensation (the "**Approved Grants**"): stock options, deferred share units, performance share units, restricted share units and stock appreciation rights.

The following summary is intended as a brief description of the 2022 Equity Incentive Plan and is qualified in its entirety by the full text of the 2022 Equity Incentive Plan attached as Schedule "C" to the Information Circular dated June 10, 2022 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

##### **Purpose**

The purpose of the 2022 Equity Incentive Plan is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Company.

The 2022 Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**" and, collectively with the RSUs and PSUs, the "**Performance-Based Awards**") to eligible persons.

##### **Shares Subject to the 2022 Equity Incentive Plan**

The 2022 Equity Incentive Plan is a "fixed" plan such that the aggregate number of Shares that may be issued upon the exercise or settlement of Options and Performance-Based Awards granted under the 2022 Equity Incentive Plan

(and all of the Company's other Security-Based Compensation Arrangements), shall not exceed, in the aggregate, 20% of the Company's issued and outstanding Shares at the time that the 2022 Equity Incentive Plan is implemented, such number being 18,330,926 as at June 6, 2022.

### ***Participation Limits***

The 2022 Equity Incentive Plan provides that:

- (a) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to insiders under the 2022 Equity Incentive Plan, within any 12 month period, together with Shares reserved for issuance to insiders under all of the Company's other Security-Based Compensation Arrangements (as defined in the 2022 Equity Incentive Plan), shall not exceed twenty (20%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
- (b) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to insiders under the 2022 Equity Incentive Plan, at any point in time, together with Shares reserved for issuance to insiders under all of the Company's other Security-Based Compensation Arrangements (as defined in the 2022 Equity Incentive Plan), shall not exceed twenty (20%) percent of the issued and outstanding Shares;
- (c) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any participant (as defined in the 2022 Equity Incentive Plan) under the 2022 Equity Incentive Plan, within any 12 month period, together with Shares reserved for issuance to such participant (and to Companies wholly-owned by that participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated as at the date of any grant);
- (d) the maximum aggregate number of Shares issuable to any one consultant (as defined in the 2022 Equity Incentive Plan) under the 2022 Equity Incentive Plan, within any twelve (12) month period, together with Shares issuable to such consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant); and
- (e) the maximum aggregate number of Shares issuable pursuant to grants of Options to all investor relations service providers performing investor relations activities under the 2022 Equity Incentive Plan, within any 12 month period, shall not in aggregate exceed two (2%) percent of the issued and outstanding Shares (calculated as at the date of any grant). For the avoidance of doubt, persons performing investor relations activities are only eligible to receive Options under the 2022 Equity Incentive Plan; they are not eligible to receive any Performance-Based Award or other type of securities based compensation under the 2022 Equity Incentive Plan.

### ***Administration of the 2022 Equity Incentive Plan***

The 2022 Equity Incentive Plan shall be administered by the Board of the Company and the Board of the Company has full authority to administer the 2022 Equity Incentive Plan, including the authority to interpret and construe any provision of the 2022 Equity Incentive Plan and to adopt, amend and rescind such rules and regulations for administering the 2022 Equity Incentive Plan as the Board of the Company may deem necessary in order to comply with the requirements of the 2022 Equity Incentive Plan.

### ***Eligible Persons under the 2022 Equity Incentive Plan***

When used in connection with the grant of Options, all officers, directors, employees, management company employees and consultants of the Company are eligible to participate in the 2022 Equity Incentive Plan. When used in connection with the grant of Performance-Based Awards, all officers, directors, employees, management company employees and consultants of the Company that do not perform investor relations activities are eligible to participate in the 2022 Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2022 Equity Incentive Plan will be determined in the sole and absolute discretion of the Board. Each person who receives a grant under the 2022 Equity Incentive Plan is referred to as a "Participant".

### ***Types of Awards***

Awards of Options, RSUs, PSUs and DSUs may be granted under the 2022 Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the 2022 Equity Incentive Plan, and will generally be evidenced by an award agreement.

### ***Options***

An Option entitles a holder thereof to purchase a prescribed number of Shares at an exercise price determined by the Board at the time of the grant of the Option, provided that the exercise price of an Option granted under the 2022 Equity Incentive Plan shall not be less than the Discounted Market Price (as defined in the Policies of the Exchange), provided that if an Option is proposed to be granted by the Company after the Company has just been recalled for trading following a suspension or halt, the Company must wait at least ten trading days since the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option. Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed ten (10) years from the date of grant of the Option. The Board may, in its absolute discretion, upon granting Options under the 2022 Equity Incentive Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise Options during each respective time period. Subject to the discretion of the Board, the Options granted to a Participant under the 2022 Equity Incentive Plan shall vest as determined by the Board on the date of grant of such Options. If the Board does not specify a vesting schedule at the date of grant, then Options granted to persons, other than those conducting investor relations activities, shall vest fully on the date of grant, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:

- A. no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
- B. no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;
- C. no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date;  
and
- D. the remainder of the Options vest no sooner than 12 months after the Grant Date.

For stock options granted under the 2022 Equity Incentive Plan, cashless exercise facilitated by loans from brokerage firms will be permitted, whereby the brokerage firm lends some or all of the exercise payment to option-holders and then sells a sufficient number of Shares to repay the loan. Upon such cashless exercise, the brokerage firm involved will receive a number of Shares from the exercise of a Participant's Options to repay the loan so provided, and the Participant receives the balance of Shares or the cash proceeds from the balance of such Shares.

If the award agreement for the grant of Options so provides, in the event of a change of control (as defined in the 2022 Equity Incentive Plan), all Options granted to a Participant that ceases to be an Eligible Person shall become fully vested and shall become exercisable by the Participant in accordance with the terms of such award agreement and the 2022 Equity Incentive Plan. No acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance for Options issued to persons conducting investor relations activities.

Other than as may be set forth in the award agreement for the grant of Options, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options 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 2022 Equity Incentive Plan and may be exercised by the Participant's estate within one year of the death of the Participant.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the 2022 Equity Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the Participant under the 2022 Equity Incentive 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 Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the 2022 Equity Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date.

Where a Participant becomes afflicted by a disability, all Options granted to the Participant under the 2022 Equity Incentive Plan will continue to vest in accordance with the terms of such Options; provided, however, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all Options 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 Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to disability, had vested pursuant to terms of the applicable award agreement, will accrue to the Participant in accordance with the 2022 Equity Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the date the termination date, or such longer period as may be provided for in the award agreement or as may be determined by the Board.

#### Restricted Share Units

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the 2022 Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Shares. The number of RSUs to be credited to each participant shall be determined by the Board in its sole discretion in accordance with the 2022 Equity Incentive Plan. 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.

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 a RSU is granted. The Board shall determine any vesting terms applicable to the grant of RSUs, however, no RSUs may vest before the date that is one (1) year following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the 2022 Equity Incentive Plan) and the Participant ceases to be an Eligible Person, all restrictions upon any RSUs held by such Participant shall lapse immediately and all such RSUs shall become fully vested in such Participant in accordance with the 2022 Equity Incentive Plan.

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 the 2022 Equity Incentive Plan.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, 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.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the 2022 Equity Incentive 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 and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the 2022 Equity Incentive Plan.

Where a Participant becomes afflicted by a disability, all RSUs granted to the Participant under the 2022 Equity Incentive 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 a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all RSUs granted to the Participant under the 2022 Equity Incentive 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 and the Participant shall have no right, title or interest therein whatsoever; 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 the 2022 Equity Incentive Plan.

As soon as practicable after each vesting date of a RSU, the Company shall, at the sole discretion of the Board, either: (a) issue to the Participant from treasury the number of Shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the 2022 Equity Incentive Plan) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

#### Performance Share Units

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the 2022 Equity Incentive

Plan and the applicable award agreement, and which may be paid in cash and/or Shares. No PSUs may vest before the date that is one year following the date of the Award.

Subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of PSUs to eligible persons that do not perform investor relations activities. The number of PSUs to be awarded to any Participant shall be determined by the Board, in its sole discretion, in accordance with the 2022 Equity Incentive Plan. Each PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one Share.

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 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 performance criteria unfair unless a revision is made.

All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the Board on the determination date. No PSU may vest before the date that is one year following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the 2022 Equity Incentive Plan) and the Participant ceases to be an Eligible Person, all PSUs granted to such 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 the 2022 Equity Incentive Plan.

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 have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the 2022 Equity Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all PSUs granted to the Participant which have not vested will, unless the 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, and the Participant 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 have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant becomes afflicted by a disability, all PSUs granted to the Participant under the 2022 Equity Incentive 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 relationship is terminated due to disability such that the Participant ceases to be an eligible person, all PSUs granted to the Participant under the 2022 Equity Incentive 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, and the Participant shall have no right, title or interest therein whatsoever;



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 have been satisfied in that portion of the performance cycle that has lapsed.

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-five (95) days after the last day of the performance cycle to which such award relates. The Company shall, at the sole discretion of the Board, either: (a) issue to the Participant the number of Shares equal to the number of PSUs that have vested on the Determination Date; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the 2022 Equity Incentive Plan) on the next trading day after the determination date of the PSUs that have vested, net of applicable withholdings.

#### Deferred Share Units

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the 2022 Equity Incentive Plan and the applicable award agreement, and which may be paid in cash and/or Shares. DSUs may not be granted to any Participant performing investor relation activities.

Subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of DSUs to directors in lieu of fees (including annual Board retainers, chair fees, meeting attendance fees or any other fees payable to a director) or to other eligible persons as compensation for employment or consulting services. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the 2022 Equity Incentive Plan. The number of DSUs shall be specified in the applicable award agreement. Each director may elect to receive any or all of his or her fees in DSUs under this Plan.

The number of DSUs shall be calculated by dividing the amount of Fees selected by a director by the Market Unit Price (as defined in the 2022 Equity Incentive Plan) on the grant date (or such other price as required under the Policies of the Exchange) which shall be the 10th business day following each financial quarter end. Any fractional DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional DSU.

No Deferred Share Units may vest before the date that is one year following the date of the award of the DSU.

Each participant shall be entitled to receive, after the effective date that the Participant ceases to be an eligible person for any reason, on a day 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 after the participant ceases to be an eligible person as the participant and the Company may agree, which date shall be no later than one year after the date upon which the participant ceases to be an eligible person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an eligible person, at the sole discretion of the Board, either: (a) that number of Shares equal to the number of vested DSUs credited to the participant's account, such Shares to be issued from treasury of the Company; or (b) a cash payment in an amount equal to the Market Unit Price on the next trading day after the Participant ceases to be an eligible person of the vested DSUs, net of applicable withholdings.

In the event that the value of a DSU would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the DSUs will be made to the Participant with reference to the five (5) trading days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

Upon the death of a Participant holding DSUs that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that

would have otherwise been payable in accordance with the 2022 Equity Incentive Plan to the Participant upon such Participant ceasing to be an eligible person.

### ***General Provisions of the 2022 Equity Incentive Plan***

#### Non-Transferability

No Option or Performance-Based Award and no right under any such Option or Performance-Based Award shall be assignable, alienable, saleable, or transferable by a participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the Exchange. No Option or Performance-Based Award and no right under any such Option or Performance-Based 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.

#### Black-out Periods

In the event that the date provided for expiration, redemption or settlement of an award falls within a blackout period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the blackout period which shall occur promptly following general disclosure of the undisclosed material information. Notwithstanding the foregoing, there will be no extension of any award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).

#### Deductions

Whenever cash is to be paid in respect of DSUs, RSUs or PSUs, 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. The Company is authorized to withhold any payment due under any Award or under the 2022 Equity Incentive Plan until the Participant has paid or made arrangements for the payment of the amount of any withholding taxes due in respect of an Award, its exercise, or any payment under such Award or under this Plan. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by, all in accordance with the Policies of the Exchange by delivering an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

#### Amendments to the 2022 Equity Incentive Plan

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders, amend, suspend, terminate or discontinue the 2022 Equity Incentive Plan and may amend the terms and conditions of any Options or Performance-Based Awards granted hereunder, subject to:

- (i) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an insider or (ii) extend the term of an Option granted to an insider, in either event in accordance with the policies of the Exchange;
- (ii) any required approval of any applicable regulatory authority or the Exchange; and
- (iii) any approval of Shareholders as required by the Policies of the Exchange or applicable law, provided that 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 (except that the Exchange may require approval of the shareholders of the Company for amendments pursuant to Sections C to G below):

- A. amendments of a “housekeeping nature”;
- B. amendments for the purpose of curing any ambiguity, error or omission in the 2022 Equity Incentive Plan or to correct or supplement any provision of the 2022 Equity Incentive Plan that is inconsistent with any other provision of the 2022 Equity Incentive Plan;
- C. amendments which are necessary to comply with applicable law or the requirements of the Exchange;
- D. amendments respecting administration and eligibility for participation under the 2022 Equity Incentive Plan;
- E. amendments to the terms and conditions on which Option or Performance-Based Awards may be or have been granted pursuant to 2022 Equity Incentive Plan including amendments to the vesting provisions and terms of any Options or Performance-Based Awards;
- F. with the exception of Options granted to persons performing investor relations activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Options or Performance-Based Awards; and
- G. changes to the termination provisions of an Option, Performance-Based Award or the 2022 Equity Incentive Plan which do not entail an extension beyond the original fixed term.

#### Term

The 2022 Equity Incentive Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in the 2022 Equity Incentive Plan.

#### Obtaining a copy of the Plan

A copy of the 2022 Equity Incentive Plan is attached as Schedule “C” to the Information Circular dated June 10, 2022 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) and is available for review at the offices of the Company at Suite 1450, 789 West Pender, Street, Vancouver, BC V6C 1H2 or at Clark Wilson LLP, the registered offices of the Company, at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 during normal business hours up to and including the date of the Meeting.

#### **Employment, Consulting and Management Agreements**

The Company is not a party to any employment, consulting or management agreements other than as set forth below.

The Company and Chris Grove entered into an employment agreement dated August 28, 2019, pursuant to which Mr. Grove provides his services in the role as President to the Company at an initial annual salary of \$150,000 per year (the “**Grove Base Salary**”). The agreement shall continue indefinitely until terminated by either party. The agreement may be terminated by Mr. Grove by giving at least six weeks written notice to the Company, in which case the Company will pay Mr. Grove the Grove Base Salary for the notice period remaining. In the event of termination by the Company without just cause: (i) the Company may terminate Mr. Grove’s employment by providing notice, payment of the Grove Base Salary in lieu of notice, or a combination of notice and payment in lieu (the “**Grove Severance**”) of twenty-four months’ Grove Severance and (ii) in the event of a Change of Control (as defined in the policies of the TSXV), of the Company, Mr. Grove may by written notice to the Company from the date of the announcement of such Change of Control to the date sixty days after closing, treat the Change of Control as

a termination by the Company without just cause, and in such event will be entitled to 24 months' Grove Severance in payment. The Company may terminate the agreement for just cause without notice or payment in lieu of notice. Effective January 1, 2021, Chris Grove became an employee of the Company, and was paid a rate of \$12,500 per month. Effective, January 1, 2023, Mr. Grove's monthly salary was increased to \$14,500 per month.

The Company and David Hodge entered into an employment agreement dated August 28, 2019, pursuant to which Mr. Hodge provided his services in the role as CEO to the Company for \$90,000 per year (the "**Hodge Base Salary**"). Mr. Hodge resigned as the CEO on June 22, 2023 and the employment agreement was terminated.

The Company and Jody Bellefleur entered into an employment agreement dated August 28, 2019, pursuant to which Ms. Bellefleur provides her services in the role as CFO to the Company for \$75,000 per year (the "**Bellefleur Base Salary**"). The agreement shall continue indefinitely until terminated by either party. The agreement may be terminated by Ms. Bellefleur by giving at least six weeks written notice to the Company, in which case the Company will pay Ms. Bellefleur the Bellefleur Base Salary for the notice period remaining. In the event of termination by the Company without just cause: (i) the Company may terminate Ms. Bellefleur's employment by providing notice, payment of the Bellefleur Base Salary in lieu of notice, or a combination of notice and payment in lieu (the "**Bellefleur Severance**") of twenty-four months' Bellefleur Severance and (ii) in the event of a Change of Control, of the Company, Ms. Bellefleur may by written notice to the Company from the date of the announcement of such Change of Control to the date sixty days after closing, treat the Change of Control as a termination by the Company without just cause, and in such event will be entitled to 24 months' Bellefleur Severance in payment. The Company may terminate the agreement for just cause without notice or payment in lieu of notice. Zimtu pays Ms. Bellefleur's salary.

### **External Management Companies**

The Company currently has a Management and Administrative Services Agreement in place with Zimtu. Zimtu provides the Company with administrative and managerial services (performed indirectly by directors and senior officers of the Company), which includes corporate maintenance, continuous disclosure and corporate compliance services, salaries, and office space and is paid a monthly fee of \$12,500.

### **Oversight and Description of Director and NEO Compensation**

The Company is a junior mineral exploration company and trades on the TSXV. The Company's resources and capital are limited. The Company has no revenue from mineral producing operations and as a result, the Board has to consider not only the financial situation of the Company at the time of determining executive compensation but also the estimated financial situation of the Company in the mid to long term.

The CFO is not compensated directly by the Company, as she is compensated by Zimtu which provides professional services to the Company. The Company has a management services contract with Zimtu pursuant to which Commerce pays Zimtu a monthly fee of \$12,500, for a variety of services in addition to those related to the CFO functions. Mr. Grove is employed directly by the Company, pursuant to an employment agreement, and receives a monthly fee of \$14,500.

### **Performance-Based Awards**

An element of executive compensation that is available to the Company is the granting of Performance-Based Awards under the 2022 Equity Incentive Plan. Performance-Based Awards are granted to provide an incentive to participate in the long-term development of the Company and to increase shareholder value. Other than Christopher Grove, executive officers and directors are not paid a salary by the Company and are reimbursed for expenses incurred in carrying out the business of the Company.

The Board evaluates the number of Options an officer has been granted, the exercise price of the Options and the term remaining on those Options when considering grants. Options are usually priced at the closing trading price of

the Shares on the business day immediately preceding the date of grant and the current policy of the Board is that Options expire five years from the date of grant.

The Board has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than disclosed above. The Company has not established a compensation committee.

#### **Pension Plan Benefits**

The Company does not have any pension plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Company does not have a deferred compensation plan with respect to any NEO.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out equity compensation plan information as at the end of the financial year ended October 31, 2023:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	7,830,000	\$0.22	1,335,463
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>7,830,000</b>	<b>\$0.22</b>	<b>1,335,463</b>

A copy of the 2022 Equity Incentive Plan is attached as Schedule "C" to the Company's Information Circular dated June 10, 2022 as filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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

During the last completed fiscal year, no director, executive officer, senior officer or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

No informed person of the Company nor any associate or affiliate of any informed person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

"Informed person" means

- (a) a director or executive officer of the Company;

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

#### **APPOINTMENT OF AUDITOR**

Shareholders will be asked to approve the appointment of DeVisser Gray LLP, Chartered Professional Accountants (“**DeVisser Gray**”), as auditor for the Company to hold office until the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

**Management recommends shareholders vote for the appointment of DeVisser Gray as the Company’s auditor for the Company’s fiscal year ending October 31, 2024 at remuneration to be fixed by the Board.**

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

##### **Approval of Amendment to the 2022 Equity Incentive Plan (the “2022 Plan”)**

On June 6, 2022, the Board adopted the 2022 “fixed” Equity Incentive Plan (the “**2022 Plan**”) whereby the aggregate number of Shares that may be issued upon the exercise or settlement of Options and Performance-Based Awards granted under the 2022 Plan (and all of the Company’s other Security-Based Compensation Arrangements (as defined in the 2022 Plan)), shall not exceed, in the aggregate, 20% of the Company’s issued and outstanding Shares at the time that the 2022 Plan is implemented. As of the date hereof, a total of 5,755,000 stock options are outstanding under the 2022 Plan.

At the Meeting, the shareholders of the Company will be asked to consider and, if thought advisable, pass an ordinary resolution approving an increase to the maximum number of Shares reserved for issuance on the exercise of stock options granted pursuant to the 2022 Plan to from 18,330,926 to 19,969,361, representing 20% of the 99,846,805 common shares which are issued and outstanding as of the date hereof, or such other number of common shares as may be permitted by the TSX Venture Exchange (the “**Exchange**”).

On April 5, 2024, the Board approved the increase in the number of Shares issuable pursuant to the 2022 Plan from 18,330,926 to 19,969,361, subject to and effective upon receipt of the Shareholder approval and the Exchange approval.

A copy of the 2022 Plan is attached to this Information Circular as Schedule “C” and is available for review at the offices of the Company at Suite 1450, 789 West Pender, Street, Vancouver, BC V6C 1H2 or at Clark Wilson LLP, the registered offices of the Company, at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 during normal business hours up to and including the date of the Meeting.

##### **Shareholder Approval**

At the Meeting, shareholders will be asked consider and if thought fit, approve an ordinary resolution (the “**Plan Resolution**”), which must be approved by a simple majority of the votes cast by Shareholders (with directors, officers and shareholders who own more than 10% of the outstanding voting securities being excluded from voting), approving the increase of the maximum number of Shares reserved for issuance pursuant to the 2022 Plan on

exercise of stock options granted from 18,330,926 to 19,969,361, or such other number of common shares as may be permitted by the Exchange.

Unless otherwise directed, the persons named in the enclosed proxy intend to vote IN FAVOR of the Plan Resolution to consider and, if thought fit, approve the Plan Resolution as described in this Information Circular.

“RESOLVED, as an ordinary resolution of the disinterested Shareholders, that:

1. subject to approval of the TSX Venture Exchange, the number of common shares of the Company issuable pursuant to the 2022 “fixed” Equity Incentive Plan (the “**2022 Plan**”) be increased from 18,330,926 to 19,969,361, which equals 20% of the issued and outstanding common shares of the Company on April 5, 2024, or such other number of common shares of the Company as may be permitted by the TSX Venture Exchange;
2. the Company’s board of directors be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange as may be required from time to time by the TSX Venture Exchange; and
3. any one director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of the Company, may be necessary or desirable to carry out the terms of the foregoing resolutions, including without limitation making any changes to the 2022 Plan required by the TSX Venture Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the 2022 Plan.”

The form of the Plan Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the Plan Resolution.

**Management of the Company recommends that shareholders vote in favour of the Plan Resolution at the Meeting. It is the intention of the designated persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Plan Resolution.**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the Designated Persons named in the enclosed form of proxy intend to vote on any poll in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

#### **CORPORATE GOVERNANCE**

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices (NI 58-101)*, the Company is required to disclose its corporate governance practices with respect to the corporate governance guidelines adopted in NI 58-101. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out in this Information Circular attached as Schedule A”.

#### **AUDIT COMMITTEE**

Under National Instrument 52-110 – *Audit Committees (“NI 52-110”)*, venture issuers are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee’s charter, the

composition of the audit committee and the fees paid to the external auditor. This information with respect to the Company is provided in Schedule B”.

#### **MANAGEMENT CONTRACTS**

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

The Company currently has a Management and Administrative Services Agreement in place with Zimtu. Zimtu provides the Company with administrative and managerial services (performed indirectly by directors and senior officers of the Company. See “Executive Compensation” above) which includes corporate maintenance, continuous disclosure and corporate compliance services and office space and is paid a monthly fee of \$12,500.

#### **OTHER MATTERS**

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company’s website at [www.Commerce.com](http://www.Commerce.com). To request copies of the Company’s financial statements, shareholders can contact the Company at (604) 484-2700 or by email at [info@commerceresources.com](mailto:info@commerceresources.com).

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

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

DATED at Vancouver, British Columbia, this 5<sup>th</sup> day of April, 2024.

By Order of the Board of Directors

COMMERCE RESOURCES CORP.

“Christopher Grove”  
Christopher Grove  
Chief Executive Officer and Director



**SCHEDULE A  
CORPORATE GOVERNANCE DISCLOSURE**

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

**Board of Directors**

Christopher Grove is not an independent director of the Company as he is the Chief Executive Officer, President and provides corporate development and communications services for the Company.

Jody Dahrouge is not an independent director as a company wholly owned by Mr. Dahrouge provides geological consulting services to the Company.

Ian Graham is an independent director of the Company.

Jeremy Robinson is an independent director of the Company.

Adam Ritchie is an independent director of the Company.

**Directorships**

<b>Name of Director</b>	<b>Names of Other Reporting Issuers</b>
Christopher Grove	Zimtu Capital Corp. (TSXV:ZC) Swmbrd Sports Inc. (CDS:SWIM)
Ian Graham	Fidelity Minerals Corp. (TSXV:FMN) Pantera Silver Corp. (TSXV:PNTR) Green Battery Minerals Inc. (TSXV GEM) Oroco Resource Corp. (TSXV:OCO)
Jody Dahrouge	Eagle Bay Resources Corp. (CSE:EBR)
Jeremy Robinson	RareX Limited (ASX:REE) Cosmos Exploration Limited (ASX:C1X) Kincora Copper Limited (ASX:KCC) Brazilian Critical Minerals Limited (ASX:BCM) Ardiden Limited (ASX:ADV)
Adam Ritchie	Loyal Lithium Limited (ASX:LLI)

**Orientation and Continuing Education**

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

**Ethical Business Conduct**

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

**Nomination of Directors**

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

**Compensation**

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

**Other Board Committees**

The Company has no other Board Committees, other than the Audit Committee.

**Assessments**

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

**SCHEDULE B**  
**AUDIT COMMITTEE INFORMATION**

Pursuant to Multilateral Instrument 52-110 – *Audit Committees* (“**MI 52-110**”), the Company is required to include the following summary of the audit committee responsibilities, composition and authority. The Company’s Audit Committee is governed by an audit committee charter, the text of which follows:

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

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

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

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

*Responsibilities and Duties:* To fulfill its responsibilities and duties, the Committee shall:

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

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

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

### 3. Financial Reporting Processes:

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;

- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
  - (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
  - (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
  - (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
  - (i) review certification process;
  - (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
4. Other - review any related-party transactions, engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay compensation for any independent counsel and other advisors employed by the Committee.

*Composition of the Audit Committee:* The Company's audit committee is comprised of three directors, Ian Graham, Christopher Grove and Jeremy Robinson. As defined in MI 52-110, Christopher Grove is not independent as he is the Chief Executive Officer and President of the Company. Ian Graham is an independent Board member and Jeremy Robinson is an independent Board member. All of the audit committee members are "financially literate" as that term is defined in MI 52-110.

*Relevant Education and Experience:*

Below are biographies of the Company's Audit Committee members:

**Ian Graham** - Mr. Graham has served as a director of the Company since October 19, 2009. Mr. Graham is formerly Chief Geologist with Rio Tinto Exploration from March 2006 until January 2009 with prior technical project roles at Rio Tinto and Anglo American Corp. Mr. Graham is a director and President at Oroco Resource Corp., a director at Fidelity Minerals Corp, Green Battery Minerals Inc. and Pantera Silver Corp. Mr. Graham is financially literate and is able to evaluate and understand the Company's financial statements at the current level of complexity.

**Christopher Grove** – Mr. Grove has been a director of the Company since November 16, 2012, the CEO since June 22, 2023 and President since September 12, 2014. He is a director of Zimtu Capital Corp. and director of Swmbrd Sports Inc. Mr. Grove is financially literate and is able to evaluate and understand the Company's financial statements at the current level of complexity.

**Jeremy Robinson** – Mr. Robinson has been a director of the Company since November 1, 2023. Mr. Robinson is a Principal of Churchill Strategic Investments Group, director of RareX Limited (ASX:REE), Cosmos Exploration Limited (ASX:C1X), Kinco Copper Limited (ASX:KCC), Brazilian Critical Minerals Limited (ASX:BCM) and Ardiden Limited (ASX:ADV). Mr. Robinson is financially literate and is able to evaluate and understand the Company's financial statements at the current level of complexity.

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

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

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

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

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

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
October 31, 2023	\$26,500	Nil	\$2,200	Nil
October 31, 2022	\$30,000	Nil	\$1,800	Nil

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

**SCHEDULE C  
2022 EQUITY INCENTIVE PLAN**

*[see attached]*

**COMMERCE RESOURCES CORP.**  
(the “Company”)

**EQUITY INCENTIVE PLAN**

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

**1.1 Purpose**

The purpose of this equity incentive plan (the “Plan”) is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of Eligible Persons; (ii) encouraging such Eligible Persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

**SECTION 2**  
**DEFINITIONS**

**2.1 Definitions**

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

- (a) “**Award**” means any award of Options, RSUs, PSUs or DSUs granted under this Plan;
- (b) “**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;
- (c) “**Blackout Period**” means a period of time during which the Company prohibits Participants from exercising, redeeming or settling an Award due to the existence of undisclosed material information and pursuant to a formal notice provided by the Company under a trading policy, which Blackout Period must expire promptly following general disclosure of the undisclosed material information;
- (d) “**Board**” means the board of directors of the Company or, if the context permits, any of its Subsidiaries, as applicable;
- (e) “**Change of Control**” means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities (as such terms are interpreted in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a person “acting jointly or in concert” with another person, as that phrase is interpreted in National Instrument 62-103, totals for the first time not less than fifty (50%) percent of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (f) “**Company**” means Commerce Resources Corp., a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;



- (g) **“Consultant”** means a Person (other than a Director, Officer or Employee) that:
- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary 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 any of its Subsidiaries and the Person, as the case may be; and
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or any of its Subsidiaries;

and includes:

- (iv) for a Person that is an individual, a corporation of which such individual is the sole shareholder;
- (h) **“Deferred Share Unit”** or **“DSU”** means a right granted to a Participant as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, all as provided in Section 5.4 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and /or Shares;
- (i) **“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;
- (j) **“Director”** means a member of the Company’s Board or the Board of any of its Subsidiaries;
- (k) **“Discounted Market Price”** means the Market Price of the Shares, less a discount set forth below, subject to a minimum price of \$0.10:

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 - \$2.00	20%
above \$2.00	15%

- (l) **“Disability”** means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (m) **“Effective Date”** has the meaning ascribed thereto in Section 8;
- (n) **“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;
- (o) **“Eligible Person”**, when used in connection with Options, means Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its

Subsidiaries but, when used in connection with PSUs, RSUs or DSUs, means only Officers, Directors, Employees, Management Company Employees and Consultants of the Company or any of its Subsidiaries that do not perform Investor Relations Activities;

- (p) **“Employee”** means:
- (i) an individual who is considered an employee of the Company or any of its Subsidiaries under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
  - (ii) an individual who works full-time for the Company or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company or any of its Subsidiaries over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or any of its Subsidiaries on a continuing and regular basis for a minimum amount of time per week acceptable to the Exchange, who provides services normally provided by an employee and is subject to the same control and direction by the Company or its Subsidiary over the details and methods of work as an employee of the Company or any of its Subsidiaries, as the case may be, but for whom income tax deductions are not made at source;
- (q) **“Exchange”** means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (r) **“Fees”** means the annual Board retainer, chair fees, meeting attendance fees or any other fees payable to a Director;
- (s) **“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;
- (t) **“Insider”** has the meaning attributed to it in the Securities Act;
- (u) **“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; or

- (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;
- (v) **“Investor Relations Service Provider”** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (w) **“Management Company Employee”** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the Company’s business enterprise;
- (x) **“Market Price”** means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company’s shares before the issuance of the required news release disclosing the grant of Awards (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company’s shares before the Grant Date);
- (y) **“Market Unit Price”** means the value of a Share determined by reference to the five-day volume-weighted average closing price of a Share for the five Trading Day period immediately preceding the relevant date;
- (z) **“Officer”** means an officer (as defined in the Securities Act or, where the Securities Act does not apply, by other applicable securities laws) of the Company or any of its Subsidiaries;
- (aa) **“Option”** means incentive share purchase options entitling the holder thereof to purchase Shares, at a specified price for a specified period of time;
- (bb) **“Participant”** means any Eligible Person to whom Awards under this Plan are granted;
- (cc) **“Participant’s Account”** means a notional account maintained for each Participant’s participation in this Plan which will show any RSUs, PSUs and/or DSUs credited to a Participant from time to time;
- (dd) **“Performance-Based Award”** means, collectively or as applicable, Performance Share Units, Restricted Share Units and Deferred Share Units;
- (ee) **“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 Performance Share Units;

- (ff) **“Performance Cycle”** means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (gg) **“Performance Share Unit”** or **“PSU”** means a right awarded to a Participant, as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and/or Shares;
- (hh) **“Person”** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (ii) **“Restriction Period”** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months;
- (jj) **“Restricted Share Unit”** or **“RSU”** means a right awarded to a Participant as compensation for employment or consulting services or services as a Director or Officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, all as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement, and which may be paid in cash and / or Shares;
- (kk) **“Retirement”** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (ll) **“Securities Act”** means the *Securities Act* (British Columbia), as amended, from time to time;
- (mm) **“Security-Based Compensation Arrangement”** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option plan, including the Option Plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (nn) **“Shares”** means the common shares of the Company;
- (oo) **“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (pp) **“Termination Date”** means, as applicable:
  - (i) in the event of a Participant’s Retirement, voluntary termination, voluntary resignation or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and

- (ii) in the event of termination of the Participant's employment 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;
- (qq) **"Trading Day"** means any day on which the Exchange is open for trading; and
- (rr) **"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 of the Company (and, for clarity, not by the Board of any subsidiary of the Company) and the Board of the Company 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 of the Company 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 such 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**

- (a) The aggregate number of Shares issuable under this Plan (and all of the Company's other Security-Based Compensation Arrangements) in respect of Options and Performance-Based Awards shall not exceed 19,969,361.

- (b) So long as it may be required by the rules and policies of the Exchange:
- (i) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any Participant under this Plan, within any twelve (12) month period, together with Shares reserved for issuance to such Participant (and to Companies wholly-owned by that Participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares (calculated on the Grant Date);
  - (ii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate total number of Shares issuable to Insiders under this Plan, within any twelve (12) month period, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares (calculated as at the Grant Date);
  - (iii) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to Insiders under this Plan, at any point in time, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements, shall not exceed ten (10%) percent of the issued and outstanding Shares; and
  - (iv) the maximum aggregate number of Shares issuable to any one Consultant within any twelve (12) month period, together with Shares issuable to such Consultant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares calculated as at the Grant Date; and
  - (v) the maximum aggregate number of Shares issuable pursuant to grants of Options to all Investor Relation Service Providers performing Investor Relations Activities, within any twelve (12) month period, shall not exceed two percent two (2%) percent of the issued and outstanding Shares (calculated as at the Grant Date). For the avoidance of doubt, Persons performing Investor Relations Activities are only eligible to receive Options under this Plan; they are not eligible to receive any Performance-Based Award or other type of securities-based compensation under this Plan.

#### **4.2 Accounting for Awards**

For purposes of this Section 4:

- (a) 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
- (b) 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, subject to the prior acceptance of the Exchange in the case of a recapitalization, make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of Options, RSUs, PSUs or DSUs 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.

## **SECTION 5 AWARDS**

### **5.1 Options**

- (a) 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 Options to Eligible Persons. Options granted to an Eligible Person 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. Each Option shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.
- (b) Exercise Price - The exercise price of an Option granted under this Plan shall not be less than the Discounted Market Price, provided that if an Option is proposed to be granted by the Company immediately after it has been recalled for trading following a suspension or halt, the Company must wait at least ten Trading Days following the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option.
- (c) Expiry Date - Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the Grant Date.
- (d) Different Exercise Periods, Prices and Number - The Board may, in its absolute discretion, upon granting Options under this Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise his option during each respective time period.
- (e) Vesting - Subject to the discretion of the Board, the Options granted to a Participant under this Plan shall vest as determined by the Board on the Grant Date of such Options. If the Board does not specify a vesting schedule at the Grant Date, then Options granted to persons other than those conducting Investor Relations Activities shall vest fully on the Grant Date, and in any event in accordance with the policies of the Exchange. Options issued to Persons conducting Investor Relations Activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that:
  - (i) no more than 1/4 of the Options vest no sooner than three months after the Grant Date;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Grant Date;

- (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Grant Date; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Grant Date.
- (f) Change of Control – If the Award Agreement so provides, in the event of a Change of Control, all Options granted to a Participant who ceases to be an Eligible Person shall become fully vested in such Participant and shall become exercisable by the Participant in accordance with the terms of the Award Agreement and Section 5.1(l) hereof. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.
- (g) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.1(l) hereof.
- (h) Termination of Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Options 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.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options 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 Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an Eligible Person, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board, provided such period does not exceed twelve (12) months after the Termination Date.
  - (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Options under this Plan shall cease as of the Termination Date.



- (i) Disability - Where 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, however*, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Options 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 Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to Disability, had vested pursuant to terms of the applicable Award Agreement, will accrue to the Participant in accordance with Section 5.1(l) hereof and shall be exercisable by such Participant for a period of 90 days following the date the Termination Date, or such longer period as may be provided for in the Award Agreement or as may be determined by the Board, provided such period does not exceed twelve (12) months after the Termination Date.
- (j) Hold Period - In addition to any resale restrictions under applicable legislation or regulation, all Options granted hereunder and all Shares issued on the exercise of such Options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:
- “Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date].”
- (k) Notice - Options shall be exercised only in accordance with the terms and conditions of the Award Agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- (l) Payment of Award - Subject to any vesting or other limitations described in each individual Award Agreement, Options may be exercised in whole or in part at any time prior to their lapse or termination or, by the Participant, if Section 5.1(g) applies, by the Participant's estate within one year of the death of the Participant, into such number of Shares equal to the number of Options credited to the Participant's Account that become exercisable on the Vesting Date. Shares purchased by a Participant on exercise of an Option shall be paid for in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).
- (m) Cashless Exercise - The exercise price of an Option should be paid in cash, however, “Cashless Exercise” may be effected when the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase the Shares underlying her, his or its Options, with the brokerage firm then selling a sufficient number of Shares to cover the Exercise Price of the Options in order to repay the loan made to the Participant. Upon such a Cashless Exercise, the brokerage firm involved receives a number of Shares from the exercise of a Participant's Options to repay the loan so provided, and the Participant receives the balance of Shares or the cash proceeds from the balance of such Shares.

## 5.2 Restricted Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons that do not perform Investor Relations Activities. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (b) Restrictions - Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (c) Vesting - All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No Restricted Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5.2(h) hereof.
- (e) Death - Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5.2(h) hereof.
- (f) Termination of a Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
  - (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Restricted Share Units 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 and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof.

- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units; *provided, however,* that no Restricted Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Restricted Share Units 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 and the Participant shall have no right, title or interest therein whatsoever; *provided, however,* that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5.2(h) hereof.
- (h) Payment of Award - As soon as practicable after each Vesting Date of an Award of Restricted Share Units, the Company shall, at the sole discretion of the Board, either:
  - (i) issue to the Participant, or if Section 5.2(e) applies, to the Participant's estate, from treasury the number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that have vested and become payable on the Vesting Date; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Vesting Date of the Restricted Share Units credited to a Participant's Account that have vested and become payable, net of applicable withholdings.

As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

### **5.3 Performance Share Units**

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Eligible Persons that do not perform Investor Relations Activities. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this

Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement. No Performance Share Units may vest before the date that is one year following the date of the Award.

- (b) Performance Criteria - The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the Performance Criteria unfair 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.
- (c) Vesting - All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No Performance Share Units may vest before the date that is one year following the date of the Award.
- (d) Change of Control – If the Award Agreement so provides, in the event of a Change of Control and the Participant ceases to be an Eligible Person, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5.3(h) hereof.
- (e) Death - Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or 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 Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
- (f) Termination of a Participant's Relationship with the Company
  - (i) Where a Participant's relationship with the Company is terminated by the Company or a Subsidiary for cause, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.

- (ii) Where a Participant's relationship with the Company terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination, voluntary resignation or due to Retirement by the Participant, all Performance Share Units granted to the Participant which have not vested will, unless the 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, and the Participant 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 Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
- (iii) Upon termination of a Participant's relationship with the Company or a Subsidiary such that the Participant no longer qualifies as an Eligible Person, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.
- (g) Disability - Where a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units; *provided, however*, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to Disability such that the Participant ceases to be an Eligible Person, all Performance Share Units 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, and the Participant shall have no right, title or interest therein whatsoever; *provided, however*, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with Section 5.3(h) hereof.
- (h) Payment of Award - Payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. The Company shall, at the sole discretion of the Board, either:

  - (i) issue to the Participant, or if Section 5.3(e) applies, the Participant's estate, the number of Shares equal to the number of Performance Share Units credited to the Participant's Account that have vested on the Determination Date; or
  - (ii) make a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Determination Date of the Performance Share Units credited to a Participant's Account that have vested, net of applicable withholdings.

As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued or cash payment made shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

#### 5.4 Deferred Share Units

- (a) Eligibility and Participation - Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors that do not perform Investor Relations Activities in lieu of Fees or to other Eligible Persons that do not perform Investor Relations Activities as compensation for employment or consulting services. Deferred Share Units granted to a Participant in accordance with Section 5.4 hereof shall be credited, as of the Grant Date, to the Participant's Account. The number of Deferred Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. The number of Deferred Share Units shall be specified in the applicable Award Agreement.
- (b) Election - Each Director may elect to receive any or all of his or her Fees in Deferred Share Units under this Plan. Elections by Directors regarding the amount of their Fees that they wish to receive in Deferred Share Units 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 Director during a calendar year and wishes to receive an amount of his or her Fees for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.
- (c) Calculation of Deferred Share Units Granted in Lieu of Fees - The number of Deferred Share Units to be credited to a Participant's Account where the Participant is a Director who has elected to receive Deferred Share Units in lieu of Fees shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Unit Price on the Grant Date (or such other price as required under Exchange policies) which shall be the 10th business day following each financial quarter end. If, as a result of the foregoing calculation, a Participant that is a Director shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (d) Vesting - No Deferred Share Units may vest before the date that is one year following the date of the Award.
- (e) 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, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:
  - (i) that number of Shares equal to the number of vested Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company

(provided that such issuance will not result in the number specified Section 4.1(b) being exceeded); or

- (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the vested Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (f) Exception - In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Deferred Share Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (g) Death - Upon death of a Participant holding Deferred Share Units that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5.4(d) hereof to the Participant upon such Participant ceasing to be an Eligible Person.

## 5.5 General Terms Applicable to Awards

- (a) 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 a relationship for cause, violation of material Company policies, fraud, breach of non-competition, 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.
- (b) Awards May be Granted Separately or Together - 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 or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (c) Non-Transferability of Awards - No Award and no right under any such Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the Exchange. 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.
- (d) 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:

- (i) restrictions under an insider trading policy or pursuant to applicable law;
  - (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; and
  - (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.
- (e) Blackout Periods – In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed Material Information, the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).
- (f) 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.
- (g) 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 to become, in all respects, in conformity with this Plan.
- (h) Deductions - Whenever cash is to be paid in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, 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 in respect of Deferred Share Units, Restricted Share Units or Performance Share Units, 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, all in accordance with the Policies of the Exchange, delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (i) Evergreen Plan - Shares that were the subject of any Award made under this Plan that has been settled in cash, or that has been cancelled, terminated, surrendered, forfeited or has



expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under this Plan.

## 5.6 General Terms Applicable to Performance-Based Awards

- (a) Performance Evaluation; Adjustment of Goals - At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, shall 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:
- (i) judgments entered or settlements reached in litigation;
  - (ii) the write-down of assets;
  - (iii) the impact of any reorganization or restructuring;
  - (iv) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results;
  - (v) 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;
  - (vi) the impact of any mergers, acquisitions, spin-offs or other divestitures; and
  - (vii) foreign exchange gains and losses.
- (b) Adjustment of Performance-Based Awards - The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

## SECTION 6 AMENDMENT AND TERMINATION

### 6.1 Amendments and Termination of this Plan

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to:

- (a) any required disinterested shareholder approval to (i) reduce the exercise price of an Award issued to an Insider or (ii) extend the term of an Option granted to an Insider, in either event in accordance with the policies of the Exchange while the Shares are listed on the Exchange;
- (b) any required approval of any applicable regulatory authority or the Exchange; and

- (c) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, provided that 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 (except that the Exchange may require approval of the shareholders of the Company for amendments pursuant to Sections 6.1(c)(iii) to 6.1(c)(vii)) for any of the following amendments:
  - (i) amendments of a “housekeeping nature”;
  - (ii) amendments 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;
  - (iii) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
  - (iv) amendments respecting administration and eligibility for participation under this Plan;
  - (v) amendments to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including amendments to the vesting provisions and terms of any Awards;
  - (vi) with the exception of Options granted to Persons performing Investor Relations Activities, amendments which alter, extend or accelerate the terms of vesting applicable to any Awards; and
  - (vii) 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.

## **6.2 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:

- (a) 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 Policy of the Exchange or any accounting standard; or
- (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

## **SECTION 7 GENERAL PROVISIONS**

### **7.1 No Rights to Awards**

No 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. There is no obligation for uniformity of treatment of Eligible Persons or Participants or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each Participant. The Company and each Eligible Person qualifying for an Award are and shall be responsible for ensuring and confirming that each recipient of an Award is a bona fide Eligible Person that qualifies to receive the applicable Award.

## **7.2 Withholding**

The Company shall be authorized to withhold any payment due under any Award or under this Plan until the Participant has paid or made arrangements for the payment of the amount of any withholding taxes due in respect of an Award, its exercise, or any payment under such Award or under this Plan.

## **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 neither constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company, or to any other relationship with the Company. Further, the Company may at any time dismiss a Participant, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in an applicable 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 Options, RSUs, PSUs and/or DSUs until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.

## **7.6 Governing Law**

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

## **7.7 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.

#### **7.8 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.

#### **7.9 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.

#### **7.10 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.

#### **7.11 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.

#### **7.12 No Representations or Covenant 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.

#### **7.13 Conflict with Award Agreement**

In the event of any inconsistency or conflict between the Policies of the Exchange, this Plan and an Award Agreement, the Policies of the Exchange shall govern for all purposes. 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.

#### **7.14 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, as well as the Policies of the Exchange as in effect from time-to-time, 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:

- (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) 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**

### **8.1 Effective Date**

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board.

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

### **9.1 Term**

This Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in Section 6 hereof.