



**NOTICE OF ANNUAL GENERAL MEETING  
AND MANAGEMENT INFORMATION CIRCULAR  
WITH RESPECT TO AN ANNUAL GENERAL MEETING OF  
SHAREHOLDERS OF MAKO MINING CORP.**

**to be held on October 13, 2023**

## MAKO MINING CORP.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

<b>Date:</b>	Friday, October 13, 2023
<b>Time:</b>	10:00 a.m. (Toronto time)
<b>Meeting Venue:</b>	Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance St., Toronto, ON, M5H 0B4

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of holders of common shares (“**Shareholders**”) of Mako Mining Corp. (“**Mako**” or the “**Company**”) will be held at 10:00 a.m. (Toronto time) on October 13, 2023 at Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance St., Toronto, ON, M5H 0B4, for the following purposes:

1. to receive and consider the financial statements of the Company, together with the auditor’s report thereon, for the year ended December 31, 2022;
2. to fix the number of directors of the Company at six (6);
3. to elect directors for the ensuing year;
4. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider, and, if thought advisable, to pass an ordinary resolution to re-approve the Company’s Omnibus Incentive Plan; and
6. to transact such further and other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the management information circular dated August 30, 2023 (the “**Information Circular**”). Shareholders are reminded to review the Information Circular before voting.

The Company is using the notice-and-access system (“**Notice-and-Access**”) under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* to distribute the Notice of Meeting and Information Circular to Shareholders. Notice-and-Access allows the Company to post electronic versions of its proxy-related materials on SEDAR+ and on the Company’s website, rather than mailing paper copies to Shareholders. This alternative means of distribution of the Company’s proxy-related materials is more environmentally friendly by reducing paper use, and also reduces printing and mailing costs of the Company. Note that Shareholders still have the right to request paper copies of the proxy-related materials posted online by the Company under Notice-and-Access if they so choose.

The proxy-related materials are available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at <https://www.makominingcorp.com/investors/agg/>.

Registered holders may request paper copies of the proxy-related materials to be sent to them by postal delivery at no cost to them. In order to receive a paper copy of the proxy-related materials please call the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”) toll free at 1-866-962-0498 (within North America) or direct (1-514-982-8716) from outside North America and entering your control number as indicated on your Proxy or Voting Instruction Form.

Beneficial holders who wish to receive a paper copy of the proxy-related materials should contact Broadridge Investor Communications Solutions, Canada at 1-877-907-7643 or outside North America at 303-562-9305.

Shareholders who wish to receive a paper copy of the Information Circular and/or annual audited financial statements for the year ended December 31, 2022, in advance of the Meeting should make such request to the Company by no later than September 27, 2023, in order to allow reasonable time to receive and review the Information Circular prior to the proxy deadline of 10:00 a.m. (Toronto time) on October 11, 2023. The Information Circular will be sent to Shareholders within three (3) business days of their request if such request is made prior to the date of the Meeting. Following the Meeting, the Information Circular will be sent to such shareholders within 10 days of their request.

Shareholders will receive a paper copy of a notice package (the “**Notice Package**”) under Notice-and-Access via pre-paid mail containing: (i) a notification regarding the Company’s use of Notice-and-Access and how the proxy-related materials may be obtained, (ii) a form of proxy (if you are a registered Shareholder) or a voting instruction form (if you are a beneficial Shareholder), and (iii) a supplemental mailing list return card to elect to receive paper copies of the Company’s financial statements and management’s discussion and analysis.

The consolidated annual financial statements (the “**Annual Financial Statements**”) and related management’s discussion and analysis (“**MD&A**”) of the Company for the year ended December 31, 2022, have previously been mailed to those Shareholders who had requested to receive them by indicating (where marked) on the form of proxy or voting instruction form, as applicable, or through completing the supplemental mailing list return card distributed to Shareholders in connection with the Company’s 2022 Annual and Special Meeting of Shareholders. The Annual Financial Statements and MD&A are available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.makominincorp.com/investors/financial-reports](http://www.makominincorp.com/investors/financial-reports). Shareholders may also request paper copies of the Annual Financial Statements and MD&A, free of charge, by calling the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”) toll free at 1-866-962-0498 (within North America) or direct (1-514-982-8716) from outside North America or via email at [info@makominincorp.com](mailto:info@makominincorp.com).

The record date for determining the Shareholders entitled to receive notice of and vote at the Meeting is the close of business on August 30, 2023 (the “**Record Date**”). Only Shareholders whose names have been entered in the register of Shareholders as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

Shareholders are requested to complete, date and sign the form of proxy contained in the Notice Package (in the return envelope provided for that purpose), or, alternatively, to vote over the internet, in each case in accordance with the instructions set out in the Notice Package. The completed proxy form must be deposited at the office of Computershare Investor Services Inc. (“**Computershare**”), 100 University Avenue 8th Floor, Toronto, Ontario, M5J 2Y1, Attn: Proxy Department, by mail, by fax at 1.416.263.9524 or toll free at 1.866.249.7775, or online at [www.investorvote.com](http://www.investorvote.com), or the proxy vote must otherwise be registered in accordance with the instructions set forth in the Notice Package. Non-registered Shareholders who receive the proxy-related materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form delivered in the Notice Package in accordance with the instructions provided by their broker or intermediary.

To be effective, a proxy must be received by Computershare not later than 10:00 a.m. (Toronto time) on October 11, 2023, or in the case of any postponement or adjournment of the Meeting, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned

meeting. **Late proxies may be accepted or rejected by the Chairperson of the Meeting in his or her discretion. The Chairperson is under no obligation to accept or reject any particular late proxy.**

DATED this 30<sup>th</sup> day of August, 2023.

**BY ORDER OF THE BOARD OF  
DIRECTORS OF MAKO MINING CORP.**

*“Akiba Leisman”*

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Akiba Leisman  
Chief Executive Officer and Director

**MAKO MINING CORP.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**GENERAL PROXY INFORMATION**

**Time, Date and Venue Details**

The Meeting will be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance St., Toronto, ON, M5H 0B4 on October 13, 2023 at 10:00 a.m. (Toronto time)

**Notice-and-Access**

The Company is using the Notice-and-Access system under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* to distribute its proxy-related materials to Shareholders.

Under Notice-and-Access, rather than the Company mailing paper copies of the proxy-related materials to Shareholders, the materials can be accessed online under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company's website at <https://www.makominingcorp.com/investors/agm/>. The Company has adopted this alternative means of delivery for its proxy-related materials in order to reduce paper use and printing and mailing costs.

Shareholders will receive a Notice Package by prepaid mail, which will contain, among other things, information on Notice-and-Access and how Shareholders may access an electronic copy of the proxy-related materials, and how they may request a paper copy of the Information Circular, if they so choose, in advance of the Meeting and for a full year following the Meeting.

Shareholders will not receive a paper copy of the Information Circular unless they contact the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**") toll free at 1-866-962-0498 (within North America) or direct (1-514-982-8716) from outside North America or by email at [info@makominingcorp.com](mailto:info@makominingcorp.com). For Shareholders who wish to receive a paper copy of the Information Circular in advance of the voting deadline for the Meeting, requests must be received **no later than September 27, 2023**.

Shareholders with questions about Notice-and-Access may contact Computershare at 1-866-964-0492.

**Record Date**

The record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting is August 30, 2023. Only Shareholders of record as of the close of business (Toronto time) on the Record Date are entitled to receive notice of and to vote at the Meeting.

**Solicitation of Proxies**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Mako for use at the Meeting and any postponement or adjournment thereof for the purposes set forth in the Notice of Meeting.** It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by directors, officers or employees of Mako to whom no additional compensation will be paid.

## Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of Mako (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the proxy form provided. A proxyholder need not be a Shareholder.**

A proxy will not be valid for use at the Meeting unless the completed form of proxy is received by Mako's transfer agent, Computershare, by mail or courier to its offices at 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attn: Proxy Department, by fax at 1.416.263.9524 or toll free at 1.866.249.7775, or online at [www.investorvote.com](http://www.investorvote.com), not later than 10:00 a.m. (Toronto time) on October 11, 2023, (or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the reconvened Meeting). Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion. The Chair is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. If a Shareholder who has submitted a proxy attends the Meeting via the live webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted proxy will be disregarded.

## Voting By Proxy

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted in favour of or be withheld from voting on or be vote against each matter referred to in the Notice of Meeting, as applicable, 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 a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote FOR the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue 8th Floor, Toronto, Ontario, M5J 2Y1, by mail, by fax at 1.416.263.9524 or toll free at 1.866.249.7775, or online at [www.investorvote.com](http://www.investorvote.com), not later than 10:00 a.m. (Toronto time) on October 11, 2023 or, in the case of any postponement or adjournment of the Meeting, forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned Meeting. Late proxies may be accepted or

rejected by the Chairperson of the Meeting, in his or her discretion. The Chairperson is under no obligation to accept or reject any late proxies.

### **Non-Registered Shareholders**

**Only Shareholders whose names appear on the records of Mako as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of Mako are “non-registered” shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP’s, RRIF’s, RESP’s and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a “**Nominee**”). If you purchased your shares through a broker, you are likely an unregistered holder.

The Company has distributed copies of the Notice Package to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Notice Package to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to Mako are referred to as “non-objecting beneficial owners (“**NOBOs**”). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to Mako are referred to as “objecting beneficial owners” (“**OBOs**”).

Mako is not sending the proxy-related materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of Notice Package using Notice-and-Access to the Nominees for distribution to NOBOs.

Mako does not intend to pay for Nominees to deliver the Notice Package and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive such materials unless the OBO’s intermediary assumes the cost of delivery.

### **Revocability of Proxy**

Any registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered Shareholder, his or her attorney authorized in writing or, if the registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of Mako at 838 West Hastings Street, Suite 700, Vancouver, British Columbia, V6C 0A6, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Chairperson of the Meeting on the day of the Meeting.

## Quorum

Under the Company’s current Articles the quorum for the transaction of business at the Meeting consists of at least two shareholders who, in the aggregate, hold at least 25% of the issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the “shares”), of which 65,818,593 are issued and outstanding as of August 30, 2023. Holders of shares are entitled to cast one vote per share.

Any holder of shares of record at the close of business on August 30, 2023 who has completed and delivered a proxy in the manner specified, subject to the provisions described above, will be entitled to vote or to have such Shareholder’s shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only persons or companies who beneficially own, control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company is as follows:

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Percentage of Outstanding Shares
Wexford Capital LP <sup>(2)</sup>	36,462,623	55.4%

### Notes:

- (1) Information as to ownership of shares has been provided by Wexford Capital LP (“Wexford”) on behalf of private funds managed by Wexford, including Wexford Catalyst Trading Limited, Wexford Spectrum Trading Limited, Wexford Focused Investors LLC and Wexford Focused Trading Limited. The Company completed a 10 for 1 share consolidation in March 2023, and, as a result, the above noted share amount is reflected on a post-consolidated basis.
- (2) Messrs. Akiba Leisman, Chief Executive Officer and a director of the Company, John Pontius, a director of the Company are consultants of Wexford and Mr. Paul Jacobi is a partner at Wexford.

## STATEMENT OF EXECUTIVE COMPENSATION

*All dollar amounts referenced in this Statement of Executive Compensation are expressed in United States dollars, unless otherwise indicated. References to “C\$” are to Canadian dollars.*

### Compensation Discussion and Analysis

#### *Elements of Executive Compensation*

The current executive compensation program of the Company consists of an annual base salary, cash bonuses granted from time to time, and long-term incentives in the form of stock options (“Options”), restricted share units (“RSUs”) and/or deferred share units (“DSUs”, and collectively with the Options and RSUs, the “Awards”) granted under the Omnibus Incentive Plan 2021 (the “Omnibus Plan”). Prior to the implementation of the Omnibus Plan in 2021, Options were granted to Company executives under the 2017 stock option plan of the Company (the “Prior Option Plan”) and such Options, to the extent they remain outstanding, continue to be governed by the Prior Option Plan. However, since the adoption of the Omnibus Plan, no new Options are granted under the Prior Option Plan. To-date, no DSUs have been granted to executive officers of the Company. DSUs have only been granted to non-executive members of the Board.



The base salaries paid to officers of the Company are intended to provide fixed levels of pay that reflect each officer's primary duties and responsibilities and the level of skill and experience required to successfully perform their role. The Company's goal is to pay base salaries to its officers that are competitive when compared to those holding similar positions in companies of comparable stage of development within the mining industry, in order to attract and retain executive talent in the market in which the Company competes for talent. Base salaries are reviewed annually by the Compensation Committee (the "**Compensation Committee**") of the Board of Directors of the Company (the "**Board**"). Historically, short term bonuses have been a combination of cash and Awards.

In September, 2022, upon recommendation of the Compensation Committee, the Board approved and adopted a new short-term incentive plan for the senior executives of the Company (the "**STI Plan**"), which includes the CEO, the CFO the COO and the Vice-President of Corporate Development, in connection with determining annual cash bonuses and RSUs to be paid to such executives. The STI Plan includes weighted key performance indicators ("**KPIs**"), based on certain corporate KPIs, individual KPIs and a discretionary component, with bonuses calculated as a percentage of base salary with a target ranging from 50%-150%. The percentages range for corporate objectives from 40%-50%, for individual objectives from 15%-25% and for the discretionary component 35%. The STI Plan was developed, in part, based on the Compensation Practice Review Report of Bedford Group dated July 29, 2021. The 2022 cash bonuses and RSUs earned by each of the Named Executive Officers (as hereinafter defined), as disclosed in the Summary Compensation Table, were determined based on the criterion set out in the STI Plan.

The incentive component of the Company's compensation program is the longer-term reward provided through the grant of Awards under the Omnibus Plan. The Omnibus Plan is intended to attract, retain and motivate the executive officers and directors, among other eligible participants, of the Company, and to align the interests of those individuals with those of the Company's shareholders with a view to driving growth and enhancing shareholder value. The Omnibus Plan provides such individuals with an opportunity to acquire a proprietary interest in the Company's value growth through the exercise and/or vesting of the Awards. Options, RSUs and/or DSUs are granted at the discretion of the Board, with the assistance of the Compensation Committee, which considers factors such as how other mineral exploration and junior mining companies grant equity compensation and the potential value that each participant under the Omnibus Plan is contributing to the Company in determining the number of Awards granted to each individual.

Options are granted at an exercise price of not less than the prevailing market price of the Company's common shares at the time of the grant (as determined in accordance with the Omnibus Plan or the Prior Option Plan, as applicable), and for a term of exercise not exceeding ten years. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include performance criteria related to corporate or individual performance.

RSUs entitle the recipient to receive, upon settlement, shares, cash or a combination thereof as determined by the Board and subject to the provisions of the Omnibus Plan. RSUs that are subject to performance criteria may not become fully vested prior to the expiry of the restricted period. RSUs expire no later than December 31 of the calendar year which commences three years after the calendar year in which the performance of services for which the RSU was granted.

DSUs entitle the recipient to receive, upon settlement, shares or cash or a combination thereof, as determined by the Board, payable after termination of the recipient's service with the Company in accordance with the Omnibus Plan. Participants may elect annually to receive a percentage of their annual base compensation in DSUs. In addition, the Board may award such additional DSUs to a director or executive officer as the Board deems advisable to provide the participant with appropriate equity-based compensation for the services he or she renders to the Company.

The Board believes that a sound executive compensation program directly links pay to performance, emphasizes long-term shareholder value creation and does not encourage excessive risk-taking. The Company's executive compensation framework aligns with the Company's annual and longer-term strategy and reflects compensation practices of companies of similar size and stage of development, in order to ensure the compensation paid is competitive within the Company's industry.

### ***Compensation Policies and Risk Management***

The Board considers the implications of the risks associated with the Company's compensation program and practices when determining rewards for its officers. The Board reviews, at least once annually, the risks, if any, associated with the Company's compensation program and practices.

The current executive compensation structure ensures that a significant portion of executive compensation, in the form of Awards, is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their short-term compensation at the expense of the Company and the shareholders is mitigated.

Due to the small size of the Company and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation program and practices. Risks, if any, may be identified and mitigated through Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

### ***Hedging of Economic Risks in the Company's Securities***

The Company has not adopted a policy prohibiting directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. However, the Company is not aware of any directors or officers having entered into this type of transaction.

### ***Share-Based Awards and Option-Based Awards***

The Omnibus Plan (and the Prior Option Plan, in the case of Options granted prior to the implementation of the Omnibus Plan) have been used to provide Options, RSUs and DSUs which are granted in consideration of the level of responsibility of the executive as well as their impact or contribution to the longer-term operating performance of the Company. In determining the number of Awards to be granted to the executive officers, the Board takes into account the number of Awards, if any, previously granted to each executive officer, and the exercise price of any outstanding Awards to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "TSXV"), and closely align the interests of the executive officers with the interests of shareholders.

The Board, together with the assistance of the Compensation Committee, has the responsibility to administer the compensation program related to the executive management of the Company, including equity-based awards.

### ***Compensation Governance***

The Company's compensation philosophy for its Named Executive Officers is designed to attract well qualified individuals in what is essentially an international market by paying competitive base salaries plus short-term incentive compensation in the form of bonuses and long-term incentive compensation in the form of Awards. The Compensation Committee makes its recommendations, with reference to the STI

Plan in terms of bonuses and RSUs, to the Board, which meets to discuss and determine executive compensation. In making its determinations regarding the various elements of executive compensation, the Board does not currently benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company’s industry and geographic location while taking into account the financial and other resources of the Company.

On June 12, 2021, the Compensation Committee retained the Bedford Consulting Group Inc. (“**Bedford**”) to provide independent advice to the Compensation Committee. As part of its engagement, Bedford developed a compensation peer group, in consultation with the Compensation Committee, and, based on the peer group, benchmarked (a) executive management cash compensation, including base salary, annual bonus/short-term incentive plan eligibility; (b) executive management long-term incentive plan awards, and total compensation; (c) executive management and director long-term incentive plan composition breakdown; and (d) director compensation.

A summary of the fees paid to Bedford is as follows:

	2022	2021
Executive Compensation-Related Fees	Nil	C\$28,000
All Other Fees	C\$44,000 <sup>(1)</sup>	C\$41,125 <sup>(2)</sup>

**Notes:**

- (1) Consists of executive search fees for senior controller.
- (2) Consists of executive search fees for Associate Vice-President, Corporate Development.

The Company’s Compensation Committee is currently comprised of John Pontius (independent) who is the Chair, John Hick (independent) and Paul Jacobi (independent). The role of the Compensation Committee is, in part, to assist the Board in approving and monitoring the Company’s practices with respect to compensation. The Compensation Committee members have significant experience in the mining sector as senior executives and as members of the boards of directors and committees of other public corporations. Each member draws on his respective management and executive compensation experience to provide relevant compensation-related expertise. The Board is confident that the collective experience of the Compensation Committee members ensures that the Compensation Committee has the knowledge and experience to execute its mandate effectively and to make executive compensation decisions in the best interests of the Company.

The duties and responsibilities of the Chief Executive Officer are typical of those of a business entity of the Company’s size and stage of development within the mining industry. The primary role of the Chief Executive Officer of the Company is to manage the Company in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Board in the context of the Company’s strategic plans, budgets and responsibilities set out below, with a view to increasing shareholder value.

**Summary Compensation Table**

The following table sets forth all annual and long-term compensation of the Named Executive Officers of the Company for each of the three most recently completed financial years of the Company. “**Named Executive Officer**” or “**NEO**” refers to (a) each individual who, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a chief executive officer; (b) each individual who, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a chief financial officer; (c) the most highly compensated executive officer, other than the individuals identified in (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 a named executive officer under (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year. The Named Executive Officers of the Company for the most recent year end, being the year ended December 31, 2022 were Akiba Leisman, the Company’s CEO, Maria Milagros Paredes, the Company’s CFO and Corporate Secretary, Jesse Munoz, the Company’s Chief Operating Officer (“COO”) and Paolo Durand, the Company’s Vice-President of Corporate Development.

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Akiba Leisman <sup>(2)</sup> CEO	2022	275,000	150,000	Nil	Nil	Nil	Nil	172,319	597,319
	2021	280,869	Nil	Nil	Nil	Nil	Nil	255,869	536,738
	2020	182,268	Nil	Nil	Nil	Nil	Nil	23,472	205,740
Maria Milagros Paredes <sup>(3)</sup> CFO and Corporate Secretary	2022	207,171	90,000	Nil	Nil	Nil	Nil	152,579	449,750
	2021	161,217	Nil	149,139	Nil	Nil	Nil	Nil	310,356
	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jesse Munoz <sup>(4)</sup> COO	2022	250,000	125,000	Nil	Nil	Nil	Nil	220,749	595,749
	2021	255,869	Nil	Nil	Nil	Nil	Nil	250,000	505,869
	2020	247,571	Nil	Nil	Nil	Nil	Nil	Nil	247,571
Paolo Durand <sup>(5)</sup> VP of Corporate Development	2022	123,125	Nil	101,855 <sup>(6)</sup>	Nil	Nil	Nil	1,356	226,336
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value for Options granted, and relied on the following key assumptions and estimates for each calculation: (i) risk free interest rate of 1.65%; (ii) expected dividend yield of 0%; (iii) expected volatility of 58.06%; and (iv) an expected term of up to five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (2) Mr. Leisman was appointed by the Board as the Interim CEO of the Company on March 13, 2019 and as the CEO on August 9, 2019. Mr. Leisman provides services through Xiphias Management Services, which is controlled by Mr. Leisman. During the year ended December 31, 2020, Mr. Leisman earned \$176,400 for his role as CEO pursuant to the terms of his consulting agreement with Mako US and \$5,868 (C\$7,500 based on an exchange rate of \$1.00 = C\$1.27812) as of December 31, 2020, pursuant to his employment agreement with the Company. During the year ended December 31, 2021, Mr. Leisman earned \$275,000 for his role as CEO pursuant to his consulting agreement with Mako US and \$5,869 (C\$7,500 based on an exchange rate of \$1.00 = C\$1.27789) as of December 31, 2021, pursuant to his employment agreement with the Company. See “Termination and Change of Control Benefits”. Mr. Leisman is also a director of the Company and earned \$23,472 (C\$30,000 based on an exchange rate of \$1.00 = C\$1.27812) as of December 31, 2020 for his role as a director in 2020 and \$5,869 (C\$7,500 based on an exchange rate of \$1.00 = C\$1.27789 as of December 31, 2021) or his role as a director in 2021, following which time it was determined that Mr. Leisman would no longer receive compensation for his role as a director. Mr. Leisman earned a performance bonus of \$250,000 in 2021, based on his performance in 2020, which was paid in the financial year 2021. During the financial year ended December 31, 2022, Mr. Leisman was paid \$275,000 in his role as CEO pursuant to the terms of his consulting agreement with Mako US and \$5,538 (C\$7,500 based on an exchange rate of \$1.00 = C\$1.35434) pursuant to his employment agreement with the Company. Mr. Leisman also received a cash bonus of \$150,000, a share based award (RSUs) with a value of \$150,000 and perquisites in the amount of \$16,781 for life and disability insurance premiums paid by Mako US.

- (3) Ms. Paredes was appointed as the CFO and Corporate Secretary of the Company effective February 1, 2021. During the year ended December 31, 2021, Ms. Paredes earned \$155,833 for her role as CFO and Corporate Secretary pursuant to her consulting agreement with Mako US and \$5,380 (C\$6,875 based on an exchange rate of \$1.00 = C\$1.27789 as of December 31, 2021) pursuant to her employment agreement with the Company. See “*Termination and Change of Control Benefits*”. On February 4, 2021, 1,000,000 options (pre-share consolidation on a 1:10 basis) were granted to Ms. Paredes with a Black Scholes value of approximately \$149,139 (C\$190,628 based on the February 4, 2021, exchange rate of \$1.00 = C\$1.27819). During the financial year ended December 31, 2022, Ms. Paredes was paid \$207,101 in her role as CFO pursuant to the terms of her consulting agreement with Mako US and \$5,538 (C\$7,500 based on an exchange rate of \$1.00 = C\$1.35434) pursuant to her employment agreement with the Company. Ms. Paredes also received a cash bonus of \$90,000, a share based award (RSUs) with a value of \$90,000 and perquisites in the amount of \$57,041 paid by Mako US comprised of \$46,683 for insurance premiums related to medical, life and disability; and \$10,358 for 401K contributions.
- (4) During the year ended December 31, 2020, Mr. Munoz earned \$241,703 for his role as COO pursuant to his consulting agreement with Mako US and \$5,868 (C\$7,500 based on an exchange rate of \$1.00 = C\$1.27812 as of December 31, 2020) pursuant to his employment agreement with the Company. During the year ended December 31, 2021, Mr. Munoz earned \$250,000 for his role as COO pursuant to his consulting agreement with Mako US and \$5,869 (C\$7,500 based on an exchange rate of US\$1.00 = C\$1.27789 as of December 31, 2021) pursuant to his employment agreement with the Company. See “*Termination and Change of Control Benefits*”. Mr. Munoz also earned a performance bonus of \$250,000 in 2021, based on his performance in 2020. During the financial year ended December 31, 2022, Mr. Munoz was paid \$250,000 in his role as COO pursuant to the terms of his consulting agreement with Mako US and \$5,538 (C\$7,500 based on an exchange rate of \$1.00 = C\$1.35434) pursuant to his employment agreement with the Company. Mr. Munoz also received a cash bonus of \$125,000, a share based award (RSUs) with a value of \$125,000 and perquisites in the amount of \$90,211 paid by Mako US comprised of \$77,711 for insurance premiums related to medical, life and disability; and \$12,500 for 401K contributions.
- (5) Mr. Durand was appointed Vice-President of Corporate Development effective March 9, 2022. During the financial year ended December 31, 2022, Mr. Durand received \$123,125 in his role as Vice-President of Corporate Development and perquisites in the amount of \$1,356.
- (6) On March 9, 2022, 700,000 options (pre-share consolidation on a 1:10 basis) were granted to Mr. Durand with a Black Scholes value of \$101,855 (CAD\$130,798 based on March 9, 2022 exchange rate of \$1.00 = C\$1.28416).

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets out all the option-based and share-based awards outstanding as at December 31, 2022, for each NEO. The Company completed a 10 for 1 share consolidation in March 2023, and, as a result, information below is reflected on a post-consolidated basis.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (C\$) <sup>(1)</sup>	Number of Shares Or Units Of Shares That Have Not Vested (#) <sup>(2)</sup>	Market or Payout Value Of Share-Based Awards That Have Not Vested (C\$)	Market or Payout Value Of Vested Share-Based Awards not paid out or distributed (C\$)
Akiba Leisman CEO	526,500	1.62	August 6, 2024	Nil	61,800	150,000	Nil
	526,500	2.25	August 6, 2024	Nil			
	526,500	2.87	August 6, 2024	Nil			
	526,500	3.50	August 6, 2024	Nil			
Maria Milagros Paredes CFO and Corporate Secretary	100,000	3.45	February 4, 2026	Nil	37,080	90,000	Nil
Jesse Munoz COO	105,625	1.62	August 6, 2024	Nil	51,500	125,000	Nil
	105,625	2.25	August 6, 2024	Nil			
	105,625	2.87	August 6, 2024	Nil			
	105,625	3.50	August 6, 2024	Nil			

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ( $\text{\$}$ ) <sup>(1)</sup>	Number of Shares Or Units Of Shares That Have Not Vested (#) <sup>(2)</sup>	Market or Payout Value Of Share-Based Awards That Have Not Vested ( $\text{\$}$ )	Market or Payout Value Of Vested Share-Based Awards not paid out or distributed ( $\text{\$}$ )
Paolo Durand <i>VP of Corporate Development</i>	70,000	3.70	March 9, 2027	Nil	Nil	Nil	Nil

Note:

- (1) Value of unexercised in-the-money Options is calculated based on the difference between the market value of the Company's common shares as at December 31, 2022 and the exercise price of the Options (rounded up to the nearest dollar). The closing price of the Company's shares on the TSXV on December 30, 2022 was C\$1.35 per share.
- (2) Restricted Share Units.

**Incentive Plan Awards – Value Vested or Earned During the Financial Year Ended December 31, 2022.**

The following table sets out all the option-based and share-based awards that vested during the financial year ended December 31, 2022, for each NEO. The Company completed a 10 for 1 share consolidation in March 2023, and, as a result, information below is reflected on a post-consolidated basis.

Name	Option-Based Awards - Value Vested During the Year ( $\text{\$}$ )	Share-Based Awards - Value Vested During the Year ( $\text{\$}$ )	Non-Equity Incentive Plan Compensation - Value Earned During the Year ( $\text{\$}$ )
Akiba Leisman, <i>CEO</i>	Nil <sup>(1)</sup>	Nil	Nil
Maria Milagros Paredes, <i>CFO and Corporate Secretary</i>	Nil <sup>(2)</sup>	Nil	Nil
Jesse Munoz, <i>COO</i>	Nil <sup>(3)</sup>	Nil	Nil
Paolo Durand, <i>VP of Corporate Development</i>	Nil <sup>(4)</sup>	Nil	Nil

Notes:

- (1) During the financial year ended December 31, 2022, Mr. Leisman had 526,500 Options vest having a Nil value, as the exercise price of the Options are C\$3.50 and the market price on the date of vesting was C\$2.60.
- (2) During the financial year ended December 31, 2022, Ms. Paredes had 25,000 Options vest having a Nil value, as the exercise price of the Options are C\$3.45 and the market price on the date of vesting was C\$3.30.
- (3) During the financial year ended December 31, 2022, Mr. Munoz had 105,625 Options vest having a Nil value, as the exercise price of the Options are C\$3.50 and the market price on the date of vesting was C\$2.60.
- (4) During the financial year ended December 31, 2022, Mr. Durand had 17,500 Options vest having a Nil value, as the exercise price of the Options are C\$3.70 and the market price on the date of vesting was C\$3.70.

**Pension Plan Benefits**

The Company does not have any pension or retirement plan which is applicable to the NEOs or directors. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

## **Termination and Change of Control Benefits**

The Company has no plan, contract, agreement or arrangement that provides for payments to any NEO at, following or in connection with any termination, resignation, retirement or change of control of the Company or a change in a NEO's responsibilities, except as follows:

### ***Akiba Leisman, Chief Executive Officer***

Mr. Leisman serves as the CEO of the Company and currently receives a base salary from the Company in the amount of C\$7,500 per year pursuant to the terms of an employment agreement with the Company, entered into effective October 1, 2019. Pursuant to the employment agreement, Mr. Leisman provides general management and oversight of all operational, administrative, financial and legal matters affecting the Company and such other additional services as may be agreed to from time to time. The employment agreement with the Company provides that Mr. Leisman may terminate his employment by providing the Company with 60 days prior written notice and, in the event of such termination, Mr. Leisman shall be entitled to all compensation accrued through the effective date of such termination and no further rights to compensation or benefits from the Company. In the event Mr. Leisman's employment is terminated by the Company without cause, the Company must provide Mr. Leisman with the greater of: (i) twelve (12) months' notice of termination or base salary in lieu of such notice; or (ii) the minimum entitlements to notice of termination and severance pay, if applicable, under the *Employment Standards Act, 2000*, as amended (the "ESA"). Mr. Leisman's participation under employee benefits will continue for such minimum period as required by the ESA. In the event Mr. Leisman is terminated in connection with a change of control of the Company, he shall be entitled to receive compensation equal to twelve (12) months of his then current base salary, which shall be paid over a twelve-month period, subject to Mr. Leisman executing a non-revocable standard form of release acceptable to the Company.

Mr. Leisman also has a consulting agreement through his wholly owned company, Xiphias Management Services, with the Company's subsidiary, Mako US Corp. ("Mako US") pursuant to which he is paid \$22,917 per month (\$275,000 per annum) to provide ongoing consultation to Mako US regarding its management services business, including executive, managerial and administrative activities assigned to him by Mako US, entered into effective October 1, 2019, as amended January 1, 2021. The consulting agreement provides that either Mako US or Mr. Leisman may terminate the consulting agreement by providing 60 days prior written notice and, in the event of termination without cause, Mr. Leisman shall be entitled to a cash amount representing 12 months of consulting fees prior to the date of termination. In the event Mr. Leisman's consulting agreement is terminated by Mako US within 90 days of a change of control of the Company, Mr. Leisman shall be entitled to receive the greater of (a) the amount represented by twelve (12) months' consulting fees or (b) the total cash compensation received by Mr. Leisman in the trailing twelve (12) months prior to the change of control.

### ***Maria Milagros Paredes, Chief Financial Officer and Corporate Secretary***

Ms. Paredes serves as the CFO and Corporate Secretary of the Company and currently receives a base salary from the Company in the amount of C\$7,500 per year pursuant to the terms of an executive employment agreement with the Company, entered into effective February 1, 2021. Pursuant to the employment agreement, Ms. Paredes provides those services which would normally be undertaken by a CFO and Corporate Secretary including but not limited to general management and oversight of all financial, reporting administrative and legal matters affecting the Company and such other additional services as may be agreed to from time to time. The employment agreement with the Company provides that Ms. Paredes may terminate her employment by providing the Company with 60 days prior written notice and, in the event of such termination, Ms. Paredes shall be entitled to all compensation accrued through the effective date of such termination and no further rights to compensation or benefits from the Company. In the event Ms. Paredes' employment is terminated by the Company without cause, the

Company must provide Ms. Paredes with the greater of: (i) twelve (12) months' notice of termination or base salary in lieu of such notice; or (ii) the minimum entitlements to notice of termination and severance pay, if applicable, under the ESA. Ms. Paredes' participation under employee benefits will continue for such minimum period as required by the ESA. In the event Ms. Paredes is terminated or provides notice of resignation within 90 days of a change of control of the Company, she shall be entitled to receive compensation equal to twelve (12) months of her then current base salary, which shall be paid over a twelve-month period, subject to Ms. Paredes executing a non-revocable standard form of release acceptable to the Company.

Ms. Paredes also has an executive employment agreement with Mako US dated February 1, 2021, pursuant to which she is paid \$16,666 per month (\$200,000 per annum) to perform services as Chief Financial Officer of Mako US. The employment agreement provides that either Mako US or Ms. Paredes may terminate the employment agreement by providing 60 days prior written notice and, in the event of termination without cause, Ms. Paredes shall be entitled to any fees then due and payable for services completed to the date of termination. In the event Ms. Paredes' employment agreement is terminated by Mako US within 90 days of a change of control of the Company, or without cause, Ms. Paredes shall be entitled to receive compensation equal to 12 months of consulting fees paid over a twelve-month period consistent with the Company's regular payroll schedule.

***Jesse Munoz, Chief Operating Officer***

Mr. Munoz serves as Chief Operating Officer of the Company and currently receives a base salary from the Company in the amount of C\$7,500 per year pursuant to the terms of an executive employment agreement with the Company, entered into effective October 1, 2019. Pursuant to the employment agreement, Mr. Munoz provides those services which would normally be undertaken by a Chief Operating Officer including but not limited to general management and oversight of all operational, administrative, financial and legal matters affecting the Company and such other additional services as may be agreed to from time to time. The employment agreement with the Company provides that Mr. Munoz may terminate his employment by providing the Company with 60 days prior written notice and, in the event of such termination, Mr. Munoz shall be entitled to all compensation accrued through the effective date of such termination and no further rights to compensation or benefits from the Company. In the event Mr. Munoz's employment is terminated by the Company without cause, the Company must provide Mr. Munoz with the greater of: (i) twelve (12) months' notice of termination or base salary in lieu of such notice; or (ii) the minimum entitlements to notice of termination and severance pay, if applicable, under the ESA. Mr. Munoz participation under employee benefits will continue for such minimum period as required by the ESA. In the event Mr. Munoz is terminated by the Company or Mr. Munoz provides notice of resignation within 90 days of a change of control of the Company, he shall be entitled to receive compensation equal to twelve (12) months of his then current base salary, which shall be paid over a twelve-month period, subject to Mr. Munoz executing a non-revocable standard form of release acceptable to the Company.

Mr. Munoz also serves as Chief Operating Officer of Mako US, and as such has an executive employment agreement with Mako US dated September 23, 2019, as amended January 1, 2021, pursuant to which Mr. Munoz is paid \$20,833.33 per month (\$250,000 per annum). The executive employment agreement provides that either Mako US or Mr. Munoz may terminate the agreement by providing 60 days prior written notice and, in the event of termination without cause, Mr. Munoz shall be entitled to any fees then due and payable for services completed to the date of termination. In the event Mr. Munoz's agreement is terminated as a result of a change or control of the Company, Mr. Munoz shall be entitled to receive the greater of (a) the amount represented by 12 months of consulting fees, or (b) the total cash compensation received by Mr. Munoz in the trailing 12 months prior to the change of control.

***Paolo Durand, Vice-President of Corporate Development***



Mr. Durand serves as Vice-President of Corporate Development of the Company and currently receives a base salary from the Company in the amount of \$12,500 per month pursuant to the terms of a Consultant Agreement dated September 17, 2021, as amended March 9, 2022. The amended Consultant Agreement with the Company provides that Mr. Durand may terminate his employment by providing the Company with 30 days prior written notice. In the event Mr. Durand’s employment is terminated by the Company without cause, the Company must provide Mr. Durand with payment for any fees and expenses accrued as of the effective date of termination and (ii) a termination fee in the amount of \$75,000 (the “**Termination Fee**”), payment of the Termination Fee is conditional on the Consultant’s execution and non-revocation of a standard form of release agreement acceptable to the Company. In the event Mr. Durand is terminated within 12 months of a change of control of the Company, or within 90 days following a change of control Mr. Durand gives notice of termination of the Consulting Agreement, he shall be entitled to receive a change of control fee in the amount of \$75,000 (the “**Change of Control Fee**”), subject to Mr. Durand executing a non-revocable standard form of release acceptable to the Company. The Change of Control Fee is in lieu and not in addition to the Termination Fee.

### ***Payments on a Termination/Change of Control as of December 31, 2022***

Assuming a termination without cause or on a change of control of the Company occurred as of December 31, 2022, it is estimated that Messrs. Leisman, Munoz and Durand and Ms. Parades would have been entitled to the following payments:

<i>Name of NEO</i>	<i>Termination Without Cause/Change of Control Payments (\$)</i>
Akiba Leisman, <i>CEO</i>	280,537 <sup>(1)</sup>
Maria Milagros Paredes, <i>CFO and Corporate Secretary</i>	205,537 <sup>(2)</sup>
Jesse Munoz, <i>COO</i>	255,537 <sup>(3)</sup>
Paolo Durand, <i>VP of Corporate Development</i>	75,000 <sup>(4)</sup>

Notes:

- (1) Approximately \$275,000 pursuant to his consulting agreement with Mako US and \$5,538 (C\$7,500 based on the December 31, 2022 exchange rate of \$1.00 = C\$1.35434) pursuant to his employment agreement with the Company.
- (2) Approximately \$200,000 pursuant to her consulting agreement with Mako US and \$5,538 (C\$7,500 based on the December 31, 2022 exchange rate of \$1.00 = C\$1.35434) pursuant to her employment agreement with the Company.
- (3) Approximately \$250,000 pursuant to his consulting agreement with Mako US and \$5,538 (C\$7,500 based on the December 31, 2022 exchange rate of \$1.00 = C\$1.35434) pursuant to his employment agreement with the Company.
- (4) \$75,000 pursuant to his employment agreement with the Company.

### **Director Compensation**

The following table sets forth all amounts of compensation provided to the directors of the Company (who are not also a NEO) during the financial year ended December 31, 2022. The Company completed a 10 for 1 share consolidation in March 2023, and, as a result, information below is reflected on a post-consolidated basis.

<i>Director Name</i> <sup>(1)</sup>	<i>Fees Earned</i> (\$)	<i>Share-Based Awards</i> (\$)	<i>Option-Based Awards</i> (\$) <sup>(2)</sup>	<i>Non-Equity Incentive Plan Compensation</i> (\$)	<i>Pension Value</i> (\$)	<i>All Other Compensation</i> (\$)	<i>Total</i> (\$)
John Hick <sup>(3)</sup>	55,133	70,000	Nil	Nil	Nil	Nil	125,133
Rael Lipson <sup>(4)</sup>	27,500	50,000	Nil	Nil	Nil	Nil	77,500

John Pontius <sup>(5)</sup>	35,000	50,000	Nil	Nil	Nil	Nil	85,000
John Stevens <sup>(6)</sup>	31,986	50,000	Nil	Nil	Nil	17,500	99,786
Paul Jacobi <sup>(7)</sup>	27,500	50,000	Nil	Nil	Nil	Nil	77,500
Mario Caron <sup>(8)</sup>	40,133	50,000	Nil	Nil	Nil	Nil	90,133

Notes:

- (1) In 2022, non-executive directors earned a \$25,000 retainer fee and the Chairman of the Board earned an additional fee of \$10,000. Additionally, in 2022, \$2,500 per annum was paid to non-executive committee members and \$5,000 per annum was paid to the Chair of each committee. The Company also established a special committee in November 2022, for which each member was paid \$8,000 per month.
- (2) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value for Options. No Options were granted during the year ended December 31, 2022.
- (3) Mr. Hick was appointed director of the Company on November 9, 2018. Mr. Hick also is the Non-Executive Chairman of the Board of Directors, the Chair of the Audit Committee and a member of the Compensation Committee. Subsequent to the year ended December 31, 2022, Mr. Hick is also a member and the Chair of the Corporate Governance and Nominating Committee.
- (4) Mr. Lipson was appointed director of the Company on October 16, 2013. Mr. Lipson is a member of the Technical Committee.
- (5) Mr. Pontius was appointed director of the Company on November 9, 2018. Mr. Pontius is the Chair of the Compensation Committee and is also a member of both the Audit Committee and Corporate Governance and Nominating Committee.
- (6) Mr. Stevens was appointed director of the Company on December 4, 2019 and tendered his resignation on November 29, 2022. On November 30, 2022, Mr. Stevens was issued 206,000 pre-consolidated shares in settlement of his DSU, which number of DSUs were calculated based on the 5-day VWAP of the common shares of the Company ending January 28, 2022 of \$0.31, and based on the Bank of Canada USD:CAD exchange of USD\$1.00:CAD1.2772 on January 28, 2022, with all fractional interests rounded down to the nearest whole number.
- (7) Mr. Jacobi was appointed director of the Company on July 29, 2019. Mr. Jacobi is a member of the Corporate Governance and Nominating Committee and a member of the Compensation Committee.
- (8) Mr. Caron was appointed director of the Company on June 5, 2020. Mr. Caron is the Chair of the Technical Committee and a member of the Audit Committee.

The Company had no other arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year, or subsequently, up to and including the date of this Statement of Executive Compensation.

Directors may be granted Options, RSUs and DSUs from time to time under the Omnibus Plan. The purpose of granting such Awards is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

### **Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before December 31, 2022, to each of the directors (who are not also NEOs). The Company completed a 10 for 1 share consolidation in March 2023, and, as a result, information below is reflected on a post-consolidated basis.

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options</i> (#)	<i>Option Exercise Price</i> (C\$)	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options</i> (C\$) <sup>(1)</sup>	<i>Number of Shares Or Units Of Shares That Have Not Vested</i> (#)	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested</i> (C\$) <sup>(1)</sup>
John Hick	3,750	1.62	August 6, 2024	Nil	Nil	Nil
	3,750	2.25	August 6, 2024	Nil		
	3,750	2.87	August 6, 2024	Nil		
	3,750	3.50	August 6, 2024	Nil		
	30,000	5.10	July 21, 2025	Nil		
Rael Lipson	2,500	1.62	August 6, 2024	Nil	Nil	Nil
	2,500	2.25	August 6, 2024	Nil		
	2,500	2.87	August 6, 2024	Nil		
	2,500	3.50	August 6, 2024	Nil		
	12,000	1.95	August 9, 2023	Nil		
	20,000	5.10	July 21, 2025	Nil		
John Pontius	2,500	1.62	August 6, 2024	Nil	Nil	Nil
	2,500	2.25	August 6, 2024	Nil		
	2,500	2.87	August 6, 2024	Nil		
	2,500	3.50	August 6, 2024	Nil		
	20,000	5.10	July 21, 2025	Nil		
Paul Jacobi	2,500	1.62	August 6, 2024	Nil	Nil	Nil
	2,500	2.25	August 6, 2024	Nil		
	2,500	2.87	August 6, 2024	Nil		
	2,500	3.50	August 6, 2024	Nil		
	20,000	5.10	July 21, 2025	Nil		
John Stevens <sup>(2)</sup>	20,000	5.10	July 21, 2025	Nil	Nil	Nil
Mario Caron	20,000	5.10	July 21, 2025	Nil	Nil	Nil

Note:

- (1) Value calculated based on the difference between the market value of the Company's common shares as at December 31 2022 and the exercise price of the Options (rounded up to the nearest dollar). The closing price of the Company's shares on the TSXV on December 31, 2022 was C\$1.35 per share.
- (2) Mr. Stevens tendered his resignation as a director on November 29, 2022 and subsequently his stock options were cancelled.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the financial year ended December 31, 2022 in connection with incentive plan awards granted to directors (who are not also NEOs) The Company completed a 10 for 1 share consolidation in March 2023, and, as a result, information below is reflected on a post-consolidated basis.

<i>Name</i>	<i>Option-Based Awards - Value Vested During The Year</i> (C\$)	<i>Share-Based Awards - Value Vested During The Year</i> (C\$)	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year</i> (C\$)
John Hick	Nil <sup>(1)</sup>	Nil	Nil
Rael Lipson	Nil <sup>(2)</sup>	Nil	Nil

John Pontius	Nil <sup>(3)</sup>	Nil	Nil
Paul Jacobi	Nil <sup>(4)</sup>	Nil	Nil
John Stevens	Nil <sup>(5)</sup>	50,000 <sup>(6)</sup>	Nil
Mario Caron	Nil <sup>(7)</sup>	Nil	Nil

Notes:

- (1) During the financial year ended December 31, 2022, Mr. Hick had 3,750 Options vested with a Nil value based on the exercise price of the Options of C\$2.87 and the market price of the shares on the vesting date of C\$2.60. Mr. Hick also had 7,500 Options vested with a Nil value based on the exercise price of the Options of C\$5.10 and the market price of the shares on the vesting date of C\$2.50.
- (2) During the financial year ended December 31, 2022, Mr. Lipson had 2,500 Options vested with a Nil value based on the exercise price of the Options of C\$2.87 and the market price of the shares on the vesting date of C\$2.60. Mr. Lipson also had 5,000 Options vested with a Nil value based on the exercise price of the Options of C\$5.10 and the market price of the shares on the vesting date of C\$2.50.
- (3) During the financial year ended December 31, 2022, Mr. Pontius had 2,500 Options vested with a Nil value based on the exercise price of the Options of C\$2.87 and the market price of the shares on the vesting date of C\$2.60. Mr. Pontius also had 5,000 Options vested with a Nil value based on the exercise price of the Options of C\$5.10 and the market price of the shares on the vesting date of C\$2.50.
- (4) During the financial year ended December 31, 2022, Mr. Jacobi had 2,500 Options vested with a Nil value based on the exercise price of the Options of C\$2.87 and the market price of the shares on the vesting date of C\$2.60. Mr. Jacobi also had 5,000 Options vested with a Nil value based on the exercise price of the Options of C\$5.10 and the market price of the shares on the vesting date of C\$2.50.
- (5) During the financial year ended December 31, 2022, Mr. Stevens had 5,000 Options vested with a Nil value based on the exercise price of the Options of C\$5.10 and the market price of the shares on the vesting date of C\$2.50.
- (6) Mr. Steven's resigned as a director on November 29, 2022 and, accordingly, his DSUs were settled by way of share issuance.
- (7) During the financial year ended December 31, 2022, Mr. Caron had 5,000 Options vested with a Nil value based on the exercise price of the Options of C\$5.10 and the market price of the shares on the vesting date of C\$2.50.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company’s compensation plans, currently consisting of the Omnibus Plan and the Prior Option Plan, under which equity securities are authorized for issuance as at December 31, 2022. The Company completed a 10 for 1 share consolidation in March 2023, and, as a result, information below is reflected on a post-consolidated basis

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights (b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</i>
Equity compensation plans approved by securityholders	3,370,004	\$2.68	2,942,715
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
TOTAL	3,370,004	\$2.68	2,942,715

See “*Particulars of Matters to be Acted Upon at the Meeting – Re-approval of Omnibus Plan*” for a summary of the material terms of the Omnibus Plan.

The following is a summary of the key provisions of the Prior Option Plan implemented by the Board on March 20, 2006, as amended January 30, 2017, in accordance with the rules of the TSXV. The following summary is qualified in all respects by the full text of the Prior Option Plan. Options previously granted under the Prior Option Plan will remain outstanding and governed by the terms of the Prior Option Plan, but no new Options will be granted thereunder.

Options granted under the Prior Option Plan are exercisable over periods of up to 10 years from the date of grant as determined by the Board and have an exercise price no less than the closing market price of the Company’s shares prevailing on the day that the Option is granted. The Prior Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Prior Option Plan provides that if a change of control, as defined therein, occurs, all shares subject to the Options shall immediately become vested and may thereupon be exercised in whole or in part by the Option holder.

If the optionee ceases to be an eligible person as a result of termination for cause of such optionee by the Company, any outstanding Option held by such optionee on the date of such termination, whether vested or not, shall be cancelled as of that date. If the optionee ceases to be an eligible person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company’s retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the optionee shall be exercisable to acquire unissued option shares at any time up to but not after the earlier of the expiry date and the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee or, the Board may, in its sole discretion if it determines such is in the best interests of the Company, extend the expiry date of the Option of an optionee to a later date within a reasonable period.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company which is owing to the Company or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, in relation to a securities purchase program or other program.

## CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company, at least annually, reviews its own corporate governance practices in light of these guidelines to ensure that they are aligned. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

### Independence of Members of Board

The Company's Board currently consists of six directors, four of whom are independent based upon the tests for independence set forth in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). John Hick, Dr. Rael Lipson, John Pontius and Mario Caron are independent. Akiba Leisman is not independent as he is the CEO of the Company. The Board has determined that Paul Jacobi is not an independent director of the Company as a result of his position as a partner at Wexford.

### Board Committees

The Board currently has in place five standing committees, comprised of independent board members. The committees are listed below:

- (1) Audit Committee (all independent directors);
- (2) Technical Committee (two independent director and one non-independent director);
- (3) Corporate Governance and Nominating Committee (two independent directors and one non-independent director); and
- (4) Compensation Committee (two independent directors and one non-independent director)

### Management Supervision by Board

The Board, in conjunction with the Corporate Governance and Nominating Committee, has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management

who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are, however, able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the Audit Committee which is composed of independent directors who meet with the Company's auditors without management being in attendance. The independent directors also have access to the Company's legal counsel as required, and its officers.

### **Risk Management**

The Board is responsible for adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

The Audit Committee is responsible for the financial risk management items set out in the Audit Committee charter.

### **Participation of Directors in Other Reporting Issuers**

The following directors of the Company hold directorships in other reporting issuers as set out below:

<b>Name of Director</b>	<b>Name of Other Reporting Issuers</b>
Akiba Leisman	Bonterra Resources Inc. <sup>(1)</sup> Sailfish Royalty Corp. <sup>(1)</sup>
John Hick	Diamond Estates Wines & Spirits Inc. <sup>(1)</sup> Samco Gold Limited <sup>(1)</sup> Premium Nickel Resources Ltd. <sup>(1)</sup>
Mario Caron	Falco Resources Ltd. <sup>(1)</sup>

Note:

(1) Listed on the TSXV.

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees, and copies of the Company's corporate governance policies and charters and code of business ethics which directors are required to formally;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information and directors are expected to familiarize themselves with the information and materials available on the Company's website;
3. access to management and technical experts and consultants;
4. access to Company financial information, budgets and board meeting minutes; and
5. information regarding significant corporate and securities responsibilities.

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 and visit the Company's operations. Board members have full access to the Company's records. As appropriate and as conditions

permit, all directors are encouraged to visit the Company's principal operating sites and receive presentations from operating personnel. The CEO, Chairman of the Board, Committee chairs and officers of the Company are required to make themselves available to all directors in a reasonable manner to provide information and answer questions as necessary. Management of the Company, and other officers, make presentations to the Board from time to time, consistent with their areas of function and covering topics and issues impacting the Company's business.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct and Ethics and has instructed its management and employees to abide by the Code.

### **Nomination of Directors**

The Board, with the assistance of the Corporate Governance and Nominating Committee, has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates based on a variety of criteria, including the following:

1. Independence.
2. Appropriate professional skillsets and experience for the Company's business and operations.
3. Identified skillset and experience gaps on the Board.
4. Professional accomplishments and reputation, including prior board experience.
5. Leadership strategic thinking, and courage of convictions.
6. Culture of ethics, moral character, and candor.
7. Lack of material conflicts.
8. Ability to form constructive working relationships with board members and management.
9. Ability and willingness to commit the necessary time to prepare for, attend, and actively participate in board meetings, and to join board committees.
10. Diversity - geographic, ethnic, gender, professional and life experiences within the construct of Mako's Diversity Principles (as defined below).

The Corporate Governance and Nominating Committee views high moral and ethical character and lack of material conflicts are absolute requirements for all Board members and candidates, and a majority of the directors must be independent. The Board, and individual members of the Board, must be willing to act, and act, at all times in what they consider to be in the best interest of the Company and its shareholders. Mako seeks to establish a Board comprised of members who collectively exhibit professional, leadership, strategic, and personal qualifications appropriate to properly position the Company and maximize its value for Shareholders. In identifying suitable candidates for directorships the Corporate Governance and Nominating Committee identifies, in consultation with the CEO and Chairman, skillsets, experience, and other criteria considered desirable in order to complement and strengthen the Board, and seeks input and recommendations from existing Board members as to possible candidates. The Corporate Governance and Nominating Committee also seeks and considers input and recommendations from knowledgeable and reputable persons in the mining industry and markets in which Mako operates, as well as from other sources, from time to time as deemed appropriate. The Corporate Governance and Nominating Committee conducts appropriate due diligence on candidates prior to



making recommendations to the Board. Such due diligence includes in depth interviews, reference checking, and appropriate third party consultations as appropriate.

### **Compensation of Directors and the CEO**

The Compensation Committee has the responsibility of establishing, and annually reviewing, approving and recommending to the Board, the Company's overall compensation strategy and policies for directors, officers and employees. The Compensation Committee reviews and makes recommendations to the Board with respect to the compensation arrangements for the directors, CEO and other members of senior management.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the Compensation Committee annually reviews the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

### **Assessments**

The Board does not view formal assessments as being useful at this stage of the Company's size and development. The Board conducts informal annual assessments of the Board's effectiveness, including the performance and effectiveness of the individual directors and each of its committees.

### **Nomination and Assessment**

The Board determines new nominees to the Board, with the assistance of the Corporate Governance and Nominating Committee, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members and the CEO, including formal and informal discussions among Board members and the CEO.

The Company does not currently have a formal diversity policy in place regarding gender representation on the Board or in executive officer positions; however, the Board has adopted a set of diversity principles (the "**Diversity Principles**"). The Company believes in retaining the most qualified candidate for any position irrespective of gender, and recruitment efforts will continue to be governed by the principles set forth below.

The Company does not discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability, or any other prohibited grounds of discrimination set forth in applicable federal or provincial law or guidelines. Directors, officers, contractors, consultants and employees are retained on the basis of their background, skills, relevant experience, education and potential to contribute to the success of the Company. In addition, candidates for Board membership are evaluated based upon their independence, qualifications to act as directors and other qualities which the Board as a whole believes are appropriate to assist it in operating in an effective manner, with due regard for the benefits of diversity. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives and fosters excellence in corporate governance, including the creation of shareholder value. Candidates for Board membership who are selected for nomination by the Board (or any committee of the Board established for such purpose from time to time) based on the foregoing criteria will be presented to shareholders for consideration without discrimination.

## **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## **AUDIT COMMITTEE DISCLOSURE**

### **Audit Committee Charter**

#### ***Mandate***

The primary function of the Audit 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. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit 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 auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

#### ***Composition***

The Audit Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's 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 presumably be expected to be raised by the Company's financial statements.

The members of the Audit 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 Audit Committee may designate a Chair by a majority vote of the full Committee membership.

#### ***Meetings***

The Audit Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CFO and the external auditors in separate sessions.

#### ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Audit Committee shall:

### Documents/Reports Review

- (a) Review and update the Audit Committee Charter annually.
- (b) Review the Company's financial statements, MD&A 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 auditors.

### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, 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.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) 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 auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (1) 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 auditors during the fiscal year in which the non-audit services are provided;
  - (2) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (3) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the

Audit Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

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

#### Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' 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 auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors 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 auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors 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 confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### Risk Management

- (a) Review, at least annually, and more frequently, if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
- (b) Inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
- (c) Request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
- (d) Assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

## Other

Review any related-party transactions.

### **Composition of the Audit Committee**

The following are the members of the Audit Committee:

John Hick (Chair)	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
John Pontius	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Mario Caron	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

Note:

(1) As defined in NI 52-110.

### **Audit Committee Member Education and Experience**

**John Hick (Chair)** – Mr. Hick has considerable experience in both senior management and director capacities with a number of public companies over the last 35 years, prior to which he was actively engaged in the practice of law in Ontario. Mr. Hick is currently President and Chief Executive Officer of his own consulting firm, John W. W. Hick Consultants Inc. During his career, he has also been the President and/or Chief Executive Officer of the following public companies where he has direct involvement in and responsibilities for the financial results and reporting of such companies: Medoro Resources Ltd., Grafton Group Limited, TVX Gold Inc., Geomaque Explorations Ltd., Defiance Mining Corporation and Rio Narcea Gold Mines Ltd. In addition to serving as a director, he has served on the audit committees of a number of public companies and is currently serving on the audit committees of the following public companies; Diamond Estates Wines and Spirits Inc., Quebec Precious Minerals Corp. and Samco Gold Ltd.

**John Pontius** – Mr. Pontius is a Director at Capital Alignment Partners, a credit focused private equity firm based in Nashville, TN. Mr. Pontius has over fifteen years experience in lower and middle market private equity with a history of taking short-term leadership positions inside portfolio companies. Immediately prior to joining Capital Alignment Partners, Mr. Pontius was the Interim CEO of Predator Drilling Inc., a former Wexford Capital LP portfolio company. From 2004 until early 2017, he served in various investment roles and leadership positions at Wexford or their portfolio companies. After Wexford, Mr. Pontius was a Managing Director at Ruton Capital LLC, a New York based private equity firm with \$1 billion of designated capital from its Chinese parent. He has extensive experience with roll-ups, business integrations, taking companies public, and turnaround situations as well as leading management teams in a Board capacity. He holds a B.S. in Business Administration from the University of North Carolina at Chapel Hill.

**Mario Caron:** Mr. Mario Caron is a mining executive with over 40 years of experience in the mining industry in senior executive and board positions. His experience was gained nationally and internationally in both underground and open pit operations. Mr. Caron has been Chief Executive Officer and director with Axmin Inc, a company developing a gold project in Central African Republic and Tiberon Minerals Ltd., the developer of a tungsten/fluorspar mine in Vietnam. He was instrumental in obtaining the mining license for the Vietnamese project. He was also closely involved in the project financing, in the engineering and development of that project. As CEO of public companies, he secured mining licenses and various permits in numerous jurisdictions. He is the chairman of Alloycorp Mining Inc., a privatized company since August 2016 with a molybdenum deposit in British Columbia. Mr. Caron received his Bachelor of Engineering, Mining at McGill University and is a member of the Ordre des ingénieurs du Québec and the Association of Professional Engineers of Ontario.

## 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 exemptions in Section 2.4, 6.1 or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "*Audit Committee Charter – Responsibilities and Duties - External Auditors*".

## External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years ended December 31, 2022 and 2021 for audit fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2022	US\$497,511.55	US\$63,204.22	US\$80,790.05	US\$39,007.13
December 31, 2021	US\$153,787.00	US\$60,706.00	US\$201,418.00	US\$12,996.00

### Notes:

- (1) The aggregate fees billed by the Company's auditors for audit fees in connection with the audit of the Company's annual consolidated financial statements.
- (2) The aggregate fees billed for assurance and related services by the Company's auditors that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditors for tax compliance, tax advice and tax planning.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### Number of Directors

The articles of the Company (the "**Articles**") provide that the number of directors of the Company must be the greater of three and the most recent number of directors elected by ordinary resolution. It is proposed that the number of directors to be elected at the Meeting be fixed at six (6).

**The Board recommends that Shareholders vote FOR fixing the number of directors of the Company at six (6). To be effective, the resolution must be approved by a majority of votes (at least 50% plus one) cast by Shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote FOR a resolution to fix the number of directors of the Company at six (6), unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's shares are to be voted against such resolution.**

### Election of Directors

The Board presently consists of seven directors and Shareholders have been asked to fix the number of directors at six (6), and to elect seven directors. The directors of the Company are elected at each annual general meeting and hold office until the next annual meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Pursuant to the advance notice provisions in Section 10.10 of the Articles (the “**Advance Notice Provisions**”), adopted by the Board on July 13, 2020 and approved by the Shareholders on August 27, 2020, any additional director nominations for the Meeting must be received by the Company in compliance with the Advance Notice Provisions no later than the close of business on September 13, 2023, being 30 days prior to the date of the Meeting.

The Board has adopted a Majority Voting Policy effective July 13, 2020 (the “**Majority Voting Policy**”). Pursuant to the Majority Voting Policy, shareholders shall vote in favour of, or to withhold from voting, separately for each nominee. In an uncontested election of directors of the Company, each director must be elected by the vote of a majority of the shares represented, and if any director nominee receives a greater number of votes “withheld” from his or her election than votes “for” such election, that director shall promptly submit his or her resignation to the Chair for consideration following the meeting. The Board must consider the offer of resignation and whether to accept it within 90 days following the meeting. Absent exceptional circumstances, the Board shall accept the resignation. If a resignation is accepted, the Board may, in accordance with the BCBCA and the Company’s Articles and previously passed shareholders’ resolutions, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board, within the minimum and maximum number, if any, of directors fixed under the Company’s Notice of Articles. If a director does not tender his or her resignation in accordance with this Policy, the Board will not re-nominate that director at the next election.

Management of the Company proposes to nominate each of the following persons for election as a director Information concerning each nominee, as furnished by the individual nominees, is as follows:

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or employment</b>	<b>Service as a Director</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(5)</sup></b>
John Hick <sup>(1)(2)(4)</sup> Ontario, Canada <i>Chairman</i>	Corporate Director	Since November 9, 2018	20,000
Akiba Leisman <sup>(3)</sup> Connecticut, USA <i>Director and CEO</i>	CEO of the Company	since July 11, 2014	1,260,139
Dr. Rael Lipson <sup>(3)</sup> Colorado, USA <i>Director</i>	Corporate Director	since October 16, 2013	71,058
John Pontius <sup>(1)(2)(4)</sup> Connecticut, USA <i>Director</i>	Director at Capital Alignment Partners	since November 9, 2018	3,080
Paul Jacobi <sup>(2)</sup> Connecticut, USA <i>Director</i>	Partner at Wexford Capital LP	since July 29, 2019	Nil
Mario Caron <sup>(1)(3)</sup> Ontario, Canada <i>Director</i>	Corporate Director	since June 5, 2020	10,000

Notes:

- (1) Member of the Audit Committee. John Hick is currently Chair.
- (2) Member of the Corporate Governance and Nominating Committee. John Hick is currently Chair.
- (3) Member of the Technical Committee. Mario Caron is currently Chair.
- (4) Member of the Compensation Committee. John Pontius is currently Chair.
- (5) The information as to the number of shares beneficially owned or over which control or direction is exercised has been furnished by the respective nominee.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

Other than as described below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company (including the Company) that:
  - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) 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 become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Hick was also a director of Carpathian Gold Inc. when on April 16, 2014, the Ontario Securities Commission issued a permanent management cease trade order, which superseded a temporary management cease trade order (the “MCTO”) dated April 4, 2014, against the management of Carpathian Gold. The MCTO was issued in connection with the company’s failure to file its (i) audited annual financial statements for the year ended December 31, 2013, (ii) management’s discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2013, and (iii) corresponding certifications of the foregoing filings as required by National Instrument 52-109 – *Certification of Disclosure in the Issuer’s Annual and Interim Filings*. The MCTO was lifted on June 19, 2014 following the filing of the required continuous disclosure documents on June 17, 2014.

### **Reappointment of Auditor**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia, are the auditors of the Company.



The Board recommends that Shareholders vote **FOR** the reappointment of PricewaterhouseCoopers LLP. To be effective, the resolution must be approved by a majority of votes (as least 50% plus one) cast by Shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote **FOR** a resolution to appoint PricewaterhouseCoopers LLP as auditors of the Company for the ensuing year, at a remuneration to be fixed by the Board, unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's shares are to be withheld from voting on the reappointment of auditors.

### **Re-Approval of Omnibus Plan**

The following is a summary of the key provisions of the Omnibus Plan implemented by the Board on June 29, 2021, as ratified and confirmed by the Shareholders on August 19, 2021, and amended by the Board on June 10, 2022 in accordance with the terms of the Omnibus Plan. The Omnibus Plan is re-approved annually by Shareholders in accordance with the rules of the TSXV. The following summary is qualified in all respects by the full text of the Omnibus Plan, a copy of which is included in Appendix "A" to this Information Circular. Capitalized terms used in this section and not otherwise defined have the meaning ascribed to them in the Omnibus Plan.

#### ***Purpose***

The purpose of the Omnibus Plan is: (a) to increase the interest in the Company's welfare of those employees, executive officers, directors and Consultants (who are considered "Eligible Participants" (as defined herein) under the Omnibus Plan), who share responsibility for the management, growth and protection of the business of the Company or a subsidiary of the Company; (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a subsidiary are necessary or essential to its success, image, reputation or activities; (c) to reward Eligible Participants for their performance of services while working for the Company or a subsidiary; and (d) to provide a means through which the Company or a subsidiary may recruit and retain key talent for the Company.

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

The Omnibus Plan provides for the grant of Options, RSUs and DSUs. All Awards are granted by an agreement or other instrument or document evidencing the Award granted under the Omnibus Plan (an "Award Agreement").

#### ***Plan Administration***

The Omnibus Plan is administered by the Board, which may delegate its authority to a committee or plan administrator or trustee. Subject to the terms of the Omnibus Plan, applicable law and the rules of the TSXV or such other stock exchange on which the Company's shares may be listed from time to time, the Board (or its delegate) will have the power and authority to: (a) designate the Eligible Participants who will receive Awards (an Eligible Participant who receives an Award, a "**Participant**"), (b) designate the types and amounts of Awards to be granted to each Participant, (c) designate the number of shares to be covered by each Award, (d) determine the terms and conditions of any Award, including any vesting conditions or conditions based on performance of the Company or of an individual ("**Performance Criteria**"), provided that while the Company's shares are listed on the TSXV, no Award (other than Options or securities issued pursuant to a stock purchase plan), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection

with a Change of Control, take-over bid, reverse take-over or other similar transaction; (e) subject to the terms of the Omnibus Plan and the rules of the Stock Exchange, determine whether and to what extent Awards will be settled in cash or shares (including shares that may be purchased in the secondary market by an administrator or trustee for delivery to a Participant), or both; (f) to interpret and administer the Omnibus Plan and any instrument or agreement relating to it, or Award made under it; and (g) make such amendments to the Omnibus Plan and Awards made under the Omnibus Plan as are permitted by the Omnibus Plan and the rules of the applicable stock exchange.

### ***Shares Available for Awards***

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of shares of the Company available for issuance under the Omnibus Plan and any other share compensation arrangement, including the Prior Option Plan, will not exceed 10% of the Company's issued and outstanding shares from time to time. As of the Record Date, there were 3,156,504 shares reserved for issuance pursuant to Awards granted under the Omnibus Plan, which represents 4.8% of the outstanding shares and 835,259 shares reserved for issuance pursuant to awards granted under the Prior Option Plan which represents 1.3% of the outstanding shares, for a combined total of 3,991,763 outstanding shares reserved under both plans, which represents 6.1% of the outstanding shares. There is an additional 2,590,096 shares currently available for issue under the Omnibus Plan, representing 3.9% of the outstanding shares.

The Omnibus Plan is considered to be an "evergreen" plan as shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Omnibus Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding shares of the Company increases.

### ***Grant Limits***

The Omnibus Plan provides the following limitations on grants:

- (a) The maximum number of shares issuable pursuant to the Omnibus Plan and any other Share Compensation Arrangement (which includes the Prior Option Plan), shall not exceed 10% of the issued and outstanding shares from time to time (calculated on a non-diluted basis).
- (b) The maximum number shares issuable to Participants who are Insiders, together with shares reserved under any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the issued and outstanding shares from time to time (calculated on a non-diluted basis).
- (c) The maximum number of shares issued to Participants who are Insiders within any one-year period shall not exceed ten percent (10%) of the issued and outstanding shares from time to time from time to time (calculated on a non-diluted basis).
- (d) Subject to the shares of the Company being listed on the TSXV, (i) the maximum number of shares issuable to any one Participant under Awards in a 12-month period shall not exceed 5% of the outstanding shares from time to time (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of shares issuable to any one consultant in a 12-month period shall not exceed 2% of the outstanding shares from time to time; and (iii) Investor Relations Service Providers (within the meaning of the policies of the TSXV) may only be granted Options under an Award and the maximum number of shares issuable to all Investor Relations Service Providers under any Options awarded shall not

exceed 2% of the outstanding share from time to time in any 12-month period, in each case measured as of the date of grant of an Award.

### ***Eligible Participants***

Any employee, executive officer, director or Consultant of the Company or any of its subsidiaries is an “**Eligible Participant**” and considered eligible to be selected to receive an Award under the Omnibus Plan, provided that only directors and executive officers are eligible to receive DSUs. Eligibility for the grant of Awards and actual participation in the Omnibus Plan is determined by the Board or its delegate.

### ***Description of Awards***

#### Options

An Option is a stock option granted by the Company to a Participant entitling such Participant to acquire a designated number of shares from treasury at an exercise price set at the time of grant (the “**Option Price**”). Options are exercisable, subject to vesting criteria established by the Board at the time of grant, over a period as established by the Board from time to time which shall not exceed 10 years from the date of grant. Any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange. If the expiration date for an Option falls within a black-out period the expiration date will be extended to the date which is ten business days after the end of the black-out period, which may be after the date that is 10 years from the date of grant. The Option Price shall not be set at less than the volume weighted average trading price of the shares on the applicable stock exchange for the five trading days immediately preceding the date of the grant. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include Performance Criteria related to corporate or individual performance. The Omnibus Plan also permits the Board to grant an option holder, at any time, the right to deal with such Option on a cashless exercise basis or to receive a cash payment equal to the difference between the market price of the shares on the day immediately prior to the date of the exercise of the cashless exercise right, and the Option Price (less applicable withholding taxes), subject to the rules of the applicable stock exchange on which the shares are listed from time to time.

The Board may grant Options to U.S. Participants that are qualified incentive stock options (“**ISOs**”) for the purposes of Section 422 of the United States Internal Revenue Code of 1986. ISOs may only be granted to employees of the Company or a subsidiary of the Company. Although the Board has the ability to grant ISOs under the terms of the Omnibus Plan, it has not granted any ISOs to-date and has no current intention to grant ISOs at this time.

#### Restricted Share Units

An RSU is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient to receive shares as determined by the Board or, subject to the provisions of the Omnibus Plan, to receive the Cash Equivalent or a combination thereof. Pursuant to the Omnibus Plan, RSUs cannot vest before the date that is one year following the date the RSU is granted or issued, provided that the requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions of the Omnibus Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction. RSUs that are subject to Performance Criteria may not become fully vested prior to the expiry of the restricted period. RSUs expire no later than December 31 of the calendar year which commences three years after the calendar year in which the performance of services for which the RSU was granted, occurred. An RSU may be forfeited if conditions to vesting are not met.

The Board, in its discretion, may award dividend equivalents with respect to Awards of RSUs. Such dividend equivalent entitlements will not be available until the RSUs are vested and paid out.

#### Deferred Share Units

A DSU is an Award attributable to a person's duties as a director or executive officer that, upon settlement, entitles the recipient to receive such number of shares as determined by the Board (subject to the rules of the applicable stock exchange on which the shares are listed from time to time), or to receive the cash equivalent or a combination thereof, as the case may be, and is payable after termination of the recipient's service with the Company. Participants may elect annually to receive a percentage of their annual base compensation in DSUs. In addition, the Board may award such additional DSUs to a director or executive officer as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Company. Pursuant to the Omnibus Plan, DSUs cannot vest before the date that is one year following the date the DSU is granted or issued, provided that the requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions of the Omnibus Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction. The Board, in its discretion, may award dividend equivalents with respect to Awards of DSUs. DSUs must be settled no later than December 31 of the calendar year following the year in which the recipient of the DSU ceased to be a director, officer or employee of the Company.

#### *Effect of Termination on Awards*

Unless otherwise provided for in an Award Agreement or determined by the Board on an individual basis, in the event of the Participant's:

- (a) Voluntary Resignation: All of the Participant's unvested Awards are immediately forfeited on the termination date, and any vested Options remain exercisable until the earlier of, unless otherwise determined by the Board, in its sole discretion, thirty (30) days following the termination date and the expiry date of the Option;
- (b) Termination for Cause: All of the Participant's vested and unvested Options immediately terminate, and all unvested RSUs are immediately forfeited on the termination date;
- (c) Termination not for Cause: All of the Participant's unvested Options immediately terminate and any vested Options remain exercisable until the earlier of, unless otherwise determined by the Board, in its sole discretion, ninety (90) days following the termination date and the expiry date of the Option. All unvested RSUs are immediately forfeited on the termination date;
- (d) Termination due to Disability or Retirement: All unvested RSUs are immediately forfeited on the termination date. Any vested Options remain exercisable until the earlier of ninety (90) days following the vesting date of the Option and the expiry date of the Option;
- (e) Termination Due to Death: The Participant's unvested RSUs are immediately terminated upon the death of a Participant, and any vested Options remain exercisable by the Participant's beneficiary until the earlier of 12 months following the termination date and the expiry date of the Option; or
- (f) Termination in Connection with a Change of Control: If, after a Change of Control (described below), (i) a Participant who was also an officer or employee of, or a consultant to, the Company prior to the Change of Control, has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, or (ii) a director on or

during the 12-month period immediately following a change in control, then all of the Participant's unvested RSUs immediately vest and shall be paid out, or in the case of Options shall vest and become exercisable. Any Options that become exercisable in these circumstances shall remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the Option.

### ***Change of Control***

In the event of a Change of Control (as described in the Omnibus Plan) the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or participate in any other transaction leading to a Change of Control.

### ***Assignment***

No Award or other benefit payable under the Omnibus Plan shall, except as otherwise provided by law or specifically approved by the Board, be transferred, sold, assigned, pledged or otherwise disposed in any manner other than by will or the law of descent.

### ***Termination and Amendment***

The Board may suspend or terminate the Omnibus Plan at any time.

Pursuant to the Omnibus Plan, the Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company amend any provision of the Omnibus Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- (a) any amendment to the general vesting provisions, if applicable, of the Awards or the Omnibus Plan;
- (b) any amendment regarding the effect of termination of a Participant's employment or engagement;
- (c) any amendment which accelerates the date on which any Option may be exercised under the Omnibus Plan;
- (d) any amendment necessary to comply with applicable law or the requirements of the stock exchange or any other regulatory body;
- (e) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Omnibus Plan, correct or supplement any provision of the Omnibus Plan that is inconsistent with any other provision of the Omnibus Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Plan;
- (f) any amendment regarding the administration of the Omnibus Plan;
- (g) any amendment to add provisions permitting the grant of Awards settled otherwise than with shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with shares issued from treasury, a form of financial assistance or clawback which is adopted; and
- (h) any other amendment that does not require the approval of the shareholders of the Company, as provided below.

Notwithstanding the foregoing, no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Omnibus Plan, and the Board shall be required to obtain shareholder approval to make the following amendments:

- (a) any increase to the maximum number of shares issuable under the Omnibus Plan (either as a fixed number or a fixed percentage of the outstanding shares), except in the event of an adjustment provided for in the Omnibus Plan;
- (b) any amendment that extends the term of Options beyond the original expiry date that benefits an Insider of the Company;
- (c) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period that benefits an Insider of the Company;
- (d) except in the case of an adjustment provided for in the Omnibus Plan, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
- (e) any amendment which increases the maximum number of shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Omnibus Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment provided for in the Omnibus Plan;
- (f) any amendment to the definition of an Eligible Participant under the Omnibus Plan; and
- (g) any amendment to the amendment provisions of the Omnibus Plan.

### ***Clawback***

Any Award or the proceeds from the exercise of an Award will be subject to clawback if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Omnibus Plan.

### ***Omnibus Plan Resolution***

At the Meeting, Shareholders will be asked to pass an ordinary resolution substantially in the following form (the “**Omnibus Plan Resolution**”):

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the Omnibus Plan, as described in the Information Circular dated August 30, 2023 which provides for the rolling grant of Awards to acquire common shares of the Company from time to time, including all amendments thereto, is hereby authorized and approved; and
2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**The Board recommends that Shareholders vote FOR the Omnibus Plan Resolution. To be effective, Omnibus Plan Resolution must be approved by a majority of the votes (at least 50% plus**

one) cast by shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote **FOR** the Omnibus Plan Resolution, unless a Shareholder specifies in its proxy that its shares are to be voted against such resolution.

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

Other than as disclosed in this Information Circular, no director or executive officer of Mako who has held such position at any time since the beginning of the financial year ended December 31, 2022, or any associate or affiliate thereof, 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.

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

No informed person of Mako, proposed director of Mako, or any associate or affiliate of any informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since January 1, 2022, or in any proposed transaction that has materially affected or could materially affect Mako or any of its subsidiaries.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for the year ended December 31, 2022, which can be found under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company's website at [www.makominingcorp.com/investors/financial-reports](http://www.makominingcorp.com/investors/financial-reports). Shareholders may also request these documents from the Company by e-mail at [info@makominingcorp.com](mailto:info@makominingcorp.com).

#### **MAKO DIRECTORS' APPROVAL**

The contents and the sending of this Information Circular have been approved by Board of Mako.

DATED this 30<sup>th</sup> day of August, 2023.

**BY ORDER OF THE BOARD OF  
DIRECTORS OF MAKO MINING CORP.**

*"Akiba Leisman"*

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Akiba Leisman  
Chief Executive Officer and Director

**APPENDIX "A"**  
**OMNIBUS PLAN**

See attached.



## MAKO MINING CORP.

### OMNIBUS INCENTIVE PLAN

Mako Mining Corp. (the “**Company**”) hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or Consultants of the Company or any of its Subsidiaries.

#### ARTICLE 1 INTERPRETATION

##### Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Account**” means an account maintained for each Participant on the books of the Company which will be credited with Awards in accordance with the terms of this Plan;

“**Affiliates**” has the meaning ascribed thereto in National Instrument 45-106 – Prospectus Exemptions;

“**Annual Base Compensation**” means an annual compensation amount payable to directors and executive officers, as established from time to time by the Board.

“**Award**” means any of an Option, DSU, or RSU granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Company (including the Company’s insider trading policy), any securities of the Company may not be traded by certain Persons designated by the Company;

“**Board**” has the meaning ascribed thereto in Section 2.2(1) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Vancouver, British Columbia for the transaction of banking business;

“**Cash Equivalent**” means the amount of money equal to the Market Value multiplied by the number of vested RSUs or DSUs, as applicable, in the Participant’s Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the Filing Date, as applicable;

“**Cashless Exercise Right**” has the meaning ascribed thereto in Section 3.6(3) hereof;

“**Cause**” has the meaning ascribed thereto in Section 6.2(1) hereof;

“**Change of Control**” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires for the first time the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election

of directors of the Company, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Company under any of the Company's equity incentive plans;

- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (iii) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its wholly-owned Subsidiaries;
- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);
- (v) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"**Company**" means Mako Mining Corp., a corporation existing under the Business Corporations Act of British Columbia, as amended from time to time;

"**Consultant**" means a person, other than an employee, executive officer or director of the Company or a Subsidiary, that provides ongoing services to the Company, and includes for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, or a partnership of which the individual Consultant is an employee or partner;

"**Consulting Agreement**" means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and such Participant;

**“Dividend Equivalent”** means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant’s Account;

**“DSU”** or **“Deferred Share Unit”** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in Article 5 and subject to the terms and conditions of this Plan;

**“DSU Agreement”** means a document evidencing the grant of DSUs and the terms and conditions thereof;

**“DSU Settlement Amount”** means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

**“Eligibility Date”** the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Company by the insurance company providing such long-term disability benefits);

**“Eligible Participants”** means any director, executive officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition shall be limited to directors and executive officers of the Company or any of its Subsidiaries;

**“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Company or a Subsidiary and such Participant;

**“Exercise Notice”** means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

**“Existing Option”** means an option grant made under the Existing Option Plan;

**“Existing Option Plan”** means the Golden Reign Resources Ltd. 2017 Stock Option Plan, including any amendments or supplements thereto made after the effective date thereof;

**“Filing Date”** has the meaning set out in Section 5.5(1) or Section 5.5(3), as applicable; **“Full Value Award”** means a DSU or an RSU;

**“Grant Agreement”** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, an RSU Agreement, an Employment Agreement or a Consulting Agreement;

**“Incentive Stock Option”** or **“ISO”** means an Option that is granted to a U.S. Participant, as described in Section 3.8;

**“Insider”** has the meaning set out in the applicable rules and policies of the Stock Exchange;

**“Market Value”** means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on a Stock Exchange, the volume weighted average trading price of the Shares on such Stock Exchange for the five trading days immediately preceding the relevant time as it relates to an Award; or (ii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

**“Option”** means an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof, and includes an ISO;

**“Option Agreement”** means a document evidencing the grant of Options and the terms and conditions thereof;

“**Option Price**” has the meaning ascribed thereto in Section 3.2 hereof;

“**Option Term**” has the meaning ascribed thereto in Section 3.4 hereof;

“**Outstanding Issue**” means the number of Shares that are issued and outstanding, on a non-diluted basis;

“**Participants**” means Eligible Participants that are granted Awards under the Plan;

“**Performance Criteria**” means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

“**Performance Period**” means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

“**Person**” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“**Plan**” means this Mako Mining Corp. Omnibus Incentive Plan, including any amendments or supplements hereto made after the effective date hereof;

“**Restriction Period**” means the period determined by the Board pursuant to Section 4.3 hereof;

“**RSU**” means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“**RSU Agreement**” means a document evidencing the grant of RSUs and the terms and conditions thereof;

“**RSU Settlement Date**” has the meaning determined in Section 4.5(1);

“**RSU Vesting Determination Date**” has the meaning described thereto in Section 4.4 hereof;

“**Shares**” means the common shares in the share capital of the Company;

“**Share Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, Insiders, or Consultants of the Company or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Company or a Subsidiary by way of a loan, guarantee or otherwise provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not “Share Compensation Arrangements” for the purposes of this Plan;

“**Stock Exchange**” means the stock exchange on which the majority of the trading volume and value of the Shares occurs, at the applicable time;

“**Subsidiary**” means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

“**Tax Act**” means the Income Tax Act (Canada) and its regulations thereunder, as amended from time to time;

**“Termination”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

**“Termination Date”** means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries and (ii) in the event of the termination of the Participant’s employment, or position as director, executive or officer of the Company or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, without regard to any period of notice, pay in lieu of notice, or severance that may follow the Termination Date pursuant to the terms of the Participant’s employment or services agreement (if any), the applicable employment standards legislation or the common law (if applicable), and regardless of whether the Termination was lawful or unlawful, except as may otherwise be required to meet minimum standards prescribed by the applicable standards legislation;

**“Termination of Service”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or has ceased providing ongoing services as a Consultant to the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

**“Trading Session”** means a trading session on a day which the applicable Stock Exchange is open for trading;

**“TSXV Share Limits”** means: (i) the maximum number of shares issuable to any one Participant under Awards in a 12-month period shall not exceed 5% of the outstanding shares from time to time (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of shares issuable to any one consultant in a 12-month period shall not exceed 2% of the outstanding shares from time to time; and (iii) Investor Relations Service Providers (within the meaning of the policies of the TSXV) may only be granted Options under an Award and the maximum number of shares issuable to all Investor Relations Service Providers under any Options awarded shall not exceed 2% of the outstanding share from time to time in any 12-month period, in each case measured as of the date of grant of an Award.;

**“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

**“U.S. Participant”** means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;

**“U.S. Tax Code”** means the United States Internal Revenue Code of 1986, as amended; and **“Vested Awards”** has the meaning described thereto in Section 6.2(5) hereof.

## **Section 1.2 Interpretation.**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (5) Unless otherwise specified in the Participant’s Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2**

### **PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

#### **Section 2.1 Purpose of the Plan.**

The purpose of the Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Company’s welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and
- (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

#### **Section 2.2 Implementation and Administration of the Plan.**

- (1) The Plan shall be administered and interpreted by the board of directors of the Company (the “**Board**”) or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the “Board” herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional

Share Compensation Arrangements or other compensation arrangements, subject to any required approval.

- (2) Subject to Article 7 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Eligible Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

### **Section 2.3 Participation in this Plan.**

- (1) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.

- (3) Unless otherwise determined by the Board, the Company shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.
- (4) The Board may also require that any Eligible Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws.
- (5) In connection with an Award to be granted to any Eligible Participant, it shall be the responsibility of such person and the Company to confirm that such person is a bona fide Eligible Participant for the purposes of participation under the Plan.

#### **Section 2.4 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to Article 7 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) The maximum number of Shares issuable at any time pursuant to outstanding Awards under this Plan shall be equal to 10% of the Outstanding Issue.
- (3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (4) No new grants of options will be made under the Existing Option Plan.
- (5) The Plan is an “evergreen” plan, as Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.
- (6) The maximum number of Shares that may be issued pursuant to Options intended as ISOs shall be limited to 10% of the Outstanding Issue, measured as of the date this Plan is submitted to shareholders for approval, as the same may be adjusted pursuant to Section 7.1.

#### **Section 2.5 Limits with Respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.**

- (1) The maximum number of Shares issuable pursuant to this Plan, the Existing Option Plan and any other Share Compensation Arrangement shall not exceed 10% of the Outstanding Issue from time to time.
- (2) The maximum number of Shares issuable to Eligible Participants who are Insiders, at any time, under this Plan, the Existing Option Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (3) The maximum number of Shares issued to Eligible Participants who are Insiders, within any one year period, under this Plan, the Existing Option Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (4) Subject to the policies of the applicable Stock Exchange, any Award granted pursuant to the Plan, or securities issued under the Existing Option Plan and any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be excluded from the purposes of the limits set out in Section 2.5(2) and Section 2.5(3).



- (5) The TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSX Venture Exchange.

### **Section 2.6 Granting of Awards.**

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

### **Section 2.7 Vesting Restrictions**

While the Shares are listed for trading on the TSX Venture Exchange:

- (a) no Award (other than Options or securities issued pursuant to a stock purchase plan), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and
- (b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange.

## **ARTICLE 3 OPTIONS**

### **Section 3.1 Nature of Options.**

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

### **Section 3.2 Option Awards.**

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions (including Performance Criteria, if applicable) and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of a Stock Exchange.

### **Section 3.3 Option Price.**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

### **Section 3.4 Option Term.**

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten (10) years from the date the Option is granted (“**Option Term**”).
- (2) Should the expiration date for an Option fall within a Black-Out Period or within ten (10) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan.

### **Section 3.5 Exercise of Options.**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with any insider trading policies implemented by the Company.

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Corporate Secretary of the Company (or the individual that the Corporate Secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 8.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:
  - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.
- (3) Subject to the rules and policies of the Stock Exchange, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grant a Participant the right to terminate such Option in whole or in part by notice in writing to the Company and in lieu of receiving

Shares pursuant to the exercise of the Option, receive, without payment of any cash other than pursuant to Section 8.2

- (a) that number of Shares, disregarding fractions, which when multiplied by the Market Value on the day immediately prior to the exercise of the Cashless Exercise Right, have a total value equal to the product of that number of Shares subject to the Option multiplied by the difference between the Market Value on the day immediately prior to the exercise of the Cashless Exercise Right and the Option Price; or
  - (b) a cash payment equal to the difference between the Market Value on the day immediately prior to the date of the exercise of the Cashless Exercise Right, and the Option Price, less applicable withholding taxes as determined and calculated by the Company, excluding fractions.
- (4) In the event the Company determines to accept the Participant's request pursuant to a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the Tax Act.

### **Section 3.7 Option Agreements.**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

### **Section 3.8 Incentive Stock Options.**

- (1) ISOs are available only for Participants who are employees of the Company, or a "parent corporation" or "subsidiary corporation" (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this Section 3.8(1). A Participant's employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three (3) months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing in this Section 3.8(1) will be deemed to extend the original expiry date of an Option.
- (2) A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an Option that is an ISO unless the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and the Option is not exercisable after the expiration of five (5) years from the date of grant.
- (3) To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Option Agreement.

## ARTICLE 4 RESTRICTED SHARE UNITS

### **Section 4.1 Nature of RSUs.**

A Restricted Share Unit is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. Unless otherwise determined by the Board in its discretion, the Award of an RSU is considered a bonus for services rendered in the calendar year in which the Award is made.

### **Section 4.2 RSU Awards.**

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such RSUs, (provided, however, that no such Restriction Period shall exceed the 3 years referenced in Section 4.3) and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restriction Period. For greater certainty, RSUs that are subject to Performance Criteria may not become fully vested by the last day of the Restricted Period.

### **Section 4.3 Restriction Period.**

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which commences three (3) years after the calendar year in which the performance of services for which such RSU is granted, occurred (“**Restriction Period**”). All unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.4) and, in any event: (i) all unvested RSUs shall be cancelled no later than the last day of the Restriction Period.

### **Section 4.4 RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU have been met (the “**RSU Vesting Determination Date**”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than; (i) December 15 of the calendar year which commences three (3) years after the calendar year in which the performance of services for which such RSU is granted, occurred. Notwithstanding the foregoing, for any U.S. Participant, the RSU Vesting Determination Date shall occur no later than March 15 of the calendar year following the end of the Performance Period.

### **Section 4.5 Settlement of RSUs.**

- (1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten (10) Business

Days following their RSU Vesting Determination Date and no later than the end of the Restriction Period (the “**RSU Settlement Date**”).

- (2) Settlement of RSUs shall take place promptly following the RSU Settlement Date and no later than the end of the Restriction Period, and shall take the form determined by the Board, in its sole discretion (subject to the rules of the Stock Exchange). Settlement of RSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of RSUs for Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board):
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) Notwithstanding the foregoing, for any U.S. Participant, the RSU Settlement Date and delivery of Shares or Cash Equivalent, if any, shall each occur no later than March 15 of the calendar year following the end of the Performance Period.

#### **Section 4.6 Determination of Amounts.**

- (1) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant’s Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant’s Account to settle in Shares.

#### **Section 4.7 RSU Agreements.**

RSUs shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

#### **Section 4.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional RSUs credited to a Participant's Account as a Dividend Equivalent pursuant to this Section 4.8 shall have an RSU Vesting Determination Date which is the same as the RSU vesting Determination Date for the RSUs in respect of which such additional RSUs are credited.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

### **ARTICLE 5 DEFERRED SHARE UNITS**

#### **Section 5.1 Nature of DSUs.**

A Deferred Share Unit is an Award attributable to a Participant's duties as a director or executive officer of the Company or a Subsidiary and that, upon settlement, entitles the recipient Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

#### **Section 5.2 DSU Awards.**

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Plan, and (ii) fix the number of DSU Awards to be granted to each Eligible Participant and the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof.

#### **Section 5.3 Payment of Annual Base Compensation.**

- (1) Each Participant may elect to receive in DSUs any portion or all of their Annual Base Compensation by completing and delivering a written election to the Company on or before November 15th of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.
- (2) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the U.S. Tax Code, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than thirty (30) days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.

- (3) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "**Grant Date**").
- (4) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Value of the Shares. Fractional Deferred Share Units will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

#### **Section 5.4 Additional Deferred Share Units.**

In addition to DSUs granted pursuant to Section 5.3, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services they render to the Company. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

#### **Section 5.5 Settlement of DSUs.**

- (1) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before December 15 of the first calendar year commencing after the date of the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that December 15, the Participant will be deemed to have filed the redemption notice on December 15 (the date of the filing or deemed filing of the redemption notice, the "**Filing Date**"). In all cases for each U.S. Participant, the U.S. Participant will be deemed to have filed the redemption notice on the date of their Termination of Service.
- (2) The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the end of the first calendar year commencing after the Participant's Termination of Service. In all cases for each U.S. Participant, the Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than March 1 of the calendar year following Termination of Service.
- (3) In the event of the death of a Participant, the Company will, subject to Section 8.2, make payment of the DSU Settlement Amount within two months of the Participant's death to or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the Settlement Amount, the Filing Date shall be the date of the Participant's death.
- (4) Subject to the terms of the DSU Award Agreement, including the satisfaction or, at the discretion of the Board, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing Date, and take the form as determined by the Board, in its sole discretion (subject to the rules of the Stock Exchange). Settlement of DSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of DSUs for Shares:
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or

- (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
- (c) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

#### **Section 5.6 Determination of DSU Settlement Amount.**

- (1) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Value on the Filing Date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 5.7 DSU Agreements.**

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

#### **Section 5.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional DSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of DSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional DSUs credited to a Participant's Account as a Dividend Equivalent pursuant to this Section 5.8 shall be subject to the same terms and conditions as the underlying DSU Award.

### **ARTICLE 6 GENERAL CONDITIONS**

#### **Section 6.1 General Conditions Applicable to Awards.**

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with



the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Company or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.

- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Company or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.8 and Section 5.8, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferrable Awards.** Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## **Section 6.2 General Conditions Applicable to Options.**

Each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination.

- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of ninety (90) days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) unless otherwise determined by the Board, in its sole discretion, each vested Option granted to such Participant will cease to be exercisable on the earlier of the thirty (30) days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (4) **Permanent Disability/Retirement.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement (in accordance with any retirement policy implemented by the Company from time to time) or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the ninety (90) days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the “**Vested Awards**”) on the date of such Participant’s death. Such Vested Awards shall only be exercisable within twelve (12) months after the Participant’s death or prior to the expiration of the original term of the Options whichever occurs earlier.

### **Section 6.3 General Conditions Applicable to RSUs.**

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Company or a Subsidiary, the Participant’s participation in the Plan shall be terminated immediately, all RSUs credited to such Participant’s Account that have not vested shall be forfeited and cancelled, and the Participant’s rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant’s unvested RSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.
- (2) **Death or Termination.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) his or her employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant’s Account as of such date relating to a Restriction Period in progress shall be terminated, and the Participant shall not receive any payment in lieu of cancelled RSUs.
- (3) **General.** For greater certainty, where a Participant’s employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt

of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

## **ARTICLE 7 ADJUSTMENTS AND AMENDMENTS**

### **Section 7.1 Adjustment to Shares.**

In the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Company or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number or kind of Shares reserved for issuance pursuant to the Plan.

### **Section 7.2 Change of Control.**

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 7.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control.
- (2) If the Company completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control (i) a Participant who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or Consulting Agreement terminated, or the Participant is constructively dismissed, or (ii) a director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out, and all unvested Options shall vest and become exercisable. Any Options that become exercisable pursuant to this Section 7.2(2) shall remain open for exercise until the earlier of their expiry date as set out in the Award Agreement and the date that is 90 days after such termination or dismissal.
- (3) Notwithstanding any other provision of this Plan, this Section 7.2 shall not apply with respect to any DSUs held by a Participant where such DSUs are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (4) Notwithstanding any other provision of this Plan, for all U.S. Participants, "Change of Control" as defined herein shall be as "Change in Control" is defined in 409A of the U.S. Tax Code.

### **Section 7.3 Amendment or Discontinuance of the Plan.**

- (1) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the Plan continuously meets the

requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

- (2) The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company amend any provision of this Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:
  - (i) any amendment to the general vesting provisions, if applicable, of the Plan or of the Awards;
  - (ii) any amendment regarding the effect of termination of a Participant's employment or engagement;
  - (iii) any amendment which accelerates the date on which any Option may be exercised under the Plan;
  - (iv) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body;
  - (v) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
  - (vi) any amendment regarding the administration of the Plan;
  - (vii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback which is adopted; and
  - (viii) any other amendment that does not require the approval of the shareholders of the Company under Section 7.3(3)(b).
- (3) Notwithstanding Section 7.3(2):
  - (a) no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) the Board shall be required to obtain shareholder approval to make the following amendments:
    - (i) any increase to the maximum number of Shares issuable under the Plan (either as a fixed number or fixed percentage of the Outstanding Issue), except in the event of an adjustment pursuant to Article 7;
    - (ii) any amendment that extends the term of Options beyond the original expiry date that benefits an Insider of the Company;
    - (iii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period, that benefits an Insider of the Company;

- (iv) except in the case of an adjustment pursuant to Article 7, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
  - (v) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7;
  - (vi) any amendment to the definition of an Eligible Participant under the Plan; and
  - (vii) any amendment to the amendment provisions of the Plan.
- (4) Subject to the Shares being listed on the TSX Venture Exchange, any shareholder approval required under Section 7.3(3)(b) shall be disinterested shareholder approval (within the meaning of the policies of the TSX Venture Exchange).
- (5) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

#### **Section 7.4 TSX Venture Exchange Approval of Adjustments**

While the Shares are listed for trading on the TSX Venture Exchange, any adjustment, other than in connection with a subdivision of the Shares into a greater number of Shares pursuant to Section 7.1(i) or a consolidation of Shares into a lesser number of Shares pursuant to Section 7.1(ii), to any Award pursuant to the provisions hereof is subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

### **ARTICLE 8 MISCELLANEOUS**

#### **Section 8.1 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan, including for the purposes of making secondary market purchases of Shares for delivery on settlement of an Award, if applicable, and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

#### **Section 8.2 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to

the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.

- (2) Notwithstanding Section 8.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

### **Section 8.3 US Tax Compliance.**

- (1) DSU Awards granted to U.S. Participants are intended to comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("**Section 409A**"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.
- (2) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a "separation from service," as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.
- (3) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant's separation from service, and at the time of the separation from service the Participant is subject to the U.S. Tax Code and is considered a "specified employee" (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month period, to the extent necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service.

### **Section 8.4 Clawback.**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 8.4.

## Section 8.5 Securities Law Compliance.

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

- (3) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (4) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and

any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

#### **Section 8.6 Reorganization of the Company.**

The existence of any Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **Section 8.7 Quotation of Shares.**

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

#### **Section 8.8 No Fractional Shares.**

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of such Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive, as the case may be, the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

#### **Section 8.9 Governing Laws.**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

#### **Section 8.10 Severability.**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

#### **Section 8.11 Effective Date of the Plan**

The Plan was adopted by the Board on July 5, 2021, as amended June 10, 2022 and approved by the shareholders of the Company and shall take effect on XXX, 2023.