



KORE MINING LTD.

## INFORMATION CIRCULAR

*(as at October 25, 2021 unless indicated otherwise)*

**This Information Circular is furnished in connection with the solicitation of proxies by the management of KORE Mining Ltd. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on December 23, 2021 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to the “Company”, “we” and “our” refer to KORE Mining Ltd. The “Board of Directors” or the “Board” refers to the Board of Directors of the Company. “Common Shares” means common shares without par value in the capital of the Company. “Company shareholders”, “shareholders” and “shareholders of the Company” refer to the shareholders of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

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

### Appointment of Proxyholders

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

### Voting by Proxyholder

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

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

### **Registered Shareholders**

The Company intends to hold the meeting in person. In light of the ongoing public health concerns related to COVID-19 and in order to comply with physical distancing measures imposed by the federal, provincial and municipal governments, only registered shareholders, non-registered shareholders who have followed the procedures set forth in this Information Circular and their proxy holders, and any persons required or entitled by law to attend the Meeting, will be entitled to attend the Meeting in person. **However, all such persons are encouraged NOT to attend but to vote on matters at the Meeting by proxy, appointing a management proxyholder to limit the number of attendees.**

**Please note that all Meeting attendees will be required to provide proof of vaccination.**

Regardless of whether or not a shareholder plans to attend the Meeting in person, the Company strongly encourages that all Registered shareholders (a shareholder whose name appears on the records of the Company as the registered holder of Common Shares) vote by proxy. To be valid, a proxy must be signed by the shareholder or the shareholder's attorney authorized in writing, or, if the shareholder is a corporation, by a duly authorized officer or attorney. Proxies must be delivered to the Company c/o Proxy Department, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 prior to 7:00 a.m. Vancouver time (10:00 a.m. Toronto time) on Tuesday, December 21, 2021 or, in the case of any adjournment or postponement of the Meeting, no later than 48 hours before the time of such reconvened meeting. Failure to properly complete or deposit a proxy may result in its invalidation.

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited which acts as nominee for many Canadian brokerage firms), and, in the United States of America (the "**United States**"), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

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

There are two kinds of Beneficial Shareholders – those who object to their identity being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing their identity (called "**NOBOs**" for Non-Objecting Beneficial Owners).

### Non-Objecting Beneficial Owners

The Company is relying on the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”). The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for: (a) delivering these materials to you; and (b) carrying out your voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

### Objecting Beneficial Owners

The Company has elected not to pay for an intermediary to deliver proxy-related materials and voting instruction forms to Objecting Beneficial Owners. Accordingly, OBOs will not receive material unless their intermediary assumes the cost of delivery. Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

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

## Notice to Shareholders in the United States

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

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the “**Business Corporations Act**”), as amended, and its directors and executive officers are residents of countries that, and a substantial portion of its assets and the assets of such persons, are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare Investor Services Inc. at the address set forth in the Proxy, or to the Company at the address of the registered office of the Company at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned or postponed, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

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

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

To the best of our knowledge, except as otherwise disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last completed financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### Record Date

The Board has fixed October 25, 2021 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either: (a) attend the Meeting personally; or (b) complete, sign and deliver a form of proxy in the

manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

### **Voting Securities**

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. The Common Shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the symbol "KORE". As of October 25, 2021 there were 114,646,912 Common Shares issued and outstanding. The quorum for the transaction of business at the Meeting is one or more persons present in person or by proxy.

On a vote by a show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote. On a poll, every shareholder entitled to vote on the matter has one vote in respect of each Common Share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy. If there are joint shareholders registered in respect of any share: (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted. No group of shareholders of the Company has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, the only persons that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at October 25, 2021 were:

<u>Name of Shareholder</u>	<u>Number of Shares Held</u>	<u>Percentage of Issued Shares</u>
2176423 Ontario Ltd.	29,508,444 <sup>(1)</sup>	25.74%
1130447 BC Ltd.	22,574,985 <sup>(2)</sup>	19.69%

(1) These shares are held through 2176423 Ontario Ltd., a company owned and controlled by Eric Sprott.

(2) This company is owned and controlled by Skye Marker, the spouse of James Hynes.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein, except with respect to the approval of the Omnibus Plan which is subject to the approval of shareholders excluding votes cast by insiders eligible to receive awards pursuant to the Omnibus Plan and their associates. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## RECEIPT OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2020, together with the auditor's report on those statement and the related management discussion and analysis, will be presented to the shareholders at the Meeting.

## APPOINTMENT OF AUDITOR

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS AUDITOR.** Unless authority to do so is withheld, the persons designated as proxyholders in the accompany Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the appointment of PricewaterhouseCoopers LLP as auditor of the Company to serve until the close of the next annual general meeting of shareholders and the authorization of the directors to fix the remuneration of the auditor. PricewaterhouseCoopers LLP have been auditor of the Resulting Issuer since October 2018.

## ELECTION OF DIRECTORS

### Board Size

The Company's Board of Directors is currently set at six (6). The following five (5) directors intend to stand for election to the Company's Board of Directors.

### Nominees for Election

The current directors will cease to hold office immediately before the election of directors at the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the Business Corporations Act or the terms of the Company's Articles, each director elected at the Meeting will hold office until immediately before the election of directors at the next annual general meeting of shareholders of the Company, or, if no director is then elected, until a successor is elected, or until he otherwise ceases to hold office under the Business Corporations Act or the terms of the Company's Articles.

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

Each of the five (5) director nominees has agreed to stand for election. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated for election at the Meeting.

The following disclosure sets out, as at October 25, 2021, for each of management's nominees for election as directors: (a) the nominee's name and the nominee's province or county, and country of residence; (b) the nominee's principal occupation, business or employment for the five preceding years, unless the nominee is now a director and was elected to the present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular; (c) the period of time during which each has been a director of the Company; (d) the members of each committee of the Board; and (e) the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the nominee:

Name, and Province or County and Country of Residence	Director Since	Occupation, Business or Employment <sup>(1)</sup>	Common Shares Beneficially Owned or Controlled <sup>(2)</sup>
James Hynes British Columbia, Canada	2018	Chief Operating Officer (“COO”) and Chairman of the Company until July 2019, Executive Chair of the Company since 2019; Businessman and former Director, Vice President, Operations at Reperio Resources Corp. from December 2006 to September 2016	4,089,162 <sup>(4)</sup>
Robert J. (Don) Macdonald <sup>(3)</sup> British Columbia, Canada	2018	Profession Corporate Director; President & CEO of NorZinc Ltd. June 2018 to May 2021; Chief Financial Officer (“CFO”) (from August 2010 to March 2017) and acting CEO (from October 2016 to March 2017) at KGHM International (formerly Quadra FNX Mining).	1,150,000
Harry Pokrandt <sup>(3)</sup> British Columbia, Canada	2018	Businessman; current CEO and Director of Baltic I Acquisition Corp and Chairman/director of Mayfair Gold Corp; former CEO of Hive Blockchain Technologies Ltd. (from June 2017 to August 2018); former director of Sandspring Resources Ltd. (September 2015 to November 2019); Managing Director of Macquarie Capital Markets Canada Ltd. from 1985 to 2015. Formerly a director of Lithium X Energy Corp., Fiore Exploration Ltd., and BQ Metals Corp.	953,020 <sup>(5)</sup>
Scott Trebilcock British Columbia, Canada	2019	CEO of the Company since July 2019. Former Chief Development Officer of Nevsun Resources (from Oct 2009 to Dec 2018) and VP Corporate Development for Nautilus Minerals from 2007 to 2009.	1,886,316 <sup>(6)</sup>
Jay Sujir British Columbia, Canada	Nominee	Partner at the law firm of Farris LLP	21,053 <sup>(7)</sup>

## Notes:

- The information as to principal occupation, business or employment may not be within the knowledge of the management of the Company and has been furnished by the respective nominees.
- The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of the Company and has been furnished to the Company by the respective nominees or has been extracted from insider reports available at [www.sedi.ca](http://www.sedi.ca).
- Members of the Company's Audit Committee and Company's Compensation and Governance Committee.
- 7,150 shares owned directly. 2,550,624 shares held by 1081646 BC Ltd. (a company owned and controlled by Mr. Hynes), and 1,531,388 shares held by 1125974 BC Ltd. (a company owned and controlled by Mr. Hynes). Mr. Hynes' spouse beneficially owns, or has control and direction over, 22,574,995 shares held by 1130447 B.C. Ltd., (a company owned and controlled by Mr. Hynes' spouse).
- 953,020 shares held by 485374 BC Ltd (a company owned and controlled by Mr. Pokrandt).
- 322,316 shares owned directly and an additional 1,564,000 shares are owned by Mr. Trebilcock's spouse, Anna Lim Hoa.
- 21,053 shares held by J. Sujir Law Corporation (a company owned and controlled by Mr. Sujir)

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.** Unless authority to do so with respect to one or more directors is withheld, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the election

of each of the nominees set forth in the above disclosure.

The Company's management does not contemplate that any of the above nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons designated in the accompanying Proxy to vote the Common Shares represented by such Proxy, properly executed, **FOR** the election of any other person or persons in place of any nominee or nominees unable to serve, unless authority to do so with respect to the nominee or nominees unable to serve is withheld.

### **Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

No proposed director of the Company:

- (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 subject to a cease trade order, an order similar to a cease trade 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 (an "**order**") that was issued while the proposed director was acting in the capacity as director, CEO or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or chief financial officer;
- (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.

No proposed director has been subject to:

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

## CONTINUATION OF STOCK OPTION PLAN

The TSXV requires that each company listed on the exchange have a stock option plan if the company intends to grant options to purchase shares in the company. The Company's 10% rolling share option plan (the "**Option Plan**"), dated March 11, 2008, as amended December 3, 2014, was implemented in order to comply with TSXV policies, and to provide incentive to directors, officers, employees, management and others who provide services to the Company or any subsidiary to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan is attached hereto as Schedule "B". See the heading "*Executive Compensation – Option Plan and Omnibus Plan*" for more information on the Option Plan.

Under the Option Plan, a maximum of 10% of the issued and outstanding Common Shares of the Company at the time an option is granted, less Common Shares reserved for issuance outstanding in the Option Plan, will be reserved for options to be granted at the discretion of Board to eligible optionees. As at the date of the mailing of this Information Circular, there are options outstanding to purchase an aggregate of 8,166,668 Common Shares.

The Company is required to obtain annual approval from the TSXV and approval from the shareholders of the Company by ordinary resolution for the continuation of the Option Plan at each annual general meeting.

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

**"BE IT RESOLVED THAT:**

1. The continuation of the Company's share option plan dated for reference March 11, 2008, as amended December 3, 2014, be ratified and approved until the next annual general meeting of the Company; and
2. Any one or more of the directors or officers of the Company is authorized and directed, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the resolution."

The Board has concluded that the continuation of the Option Plan is in the best interests of the Company and its shareholders. **Accordingly, the Board unanimously recommends that the shareholders approve the continuation of the Option Plan by voting FOR the above resolution at the Meeting.**

Proxies received in favour of management will be voted in favour of the continuation of the Option Plan, unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

## CONTINUATION OF OMNIBUS PLAN

The Board adopted an omnibus plan (the "**Omnibus Plan**") on September 4, 2020, with the shareholders approving at the annual general and special meeting held on October 9, 2020 and the Corporation subsequently receiving final TSXV approval. The Omnibus Plan was implemented because of the Corporation's desire to have a wide range of incentive awards, including restricted share units, deferred share units, performance units and other share-based awards (collectively, the "**Awards**") available to attract, retain and motivate employees, directors and consultants of the Corporation.

The Omnibus Plan is a fixed plan which reserves for issuance a maximum of 10,605,828 common shares. The common shares reserved for issuance under the Omnibus Plan are not deducted from the number of common shares issuable under the Option Plan. Subject to the 10% rolling limit with the Option Plan and the 10,605,828 common share limit with the Omnibus Plan, the Company has the flexibility to grant and

award insiders any combination of Awards and options as appropriate and determined under the Company's compensation policies.

Please see "*Executive Compensation – Option Plan and Omnibus Plan*" for a summary of the Omnibus Plan. In addition, the full text of the Omnibus Plan is attached to this Information Circular as Schedule "C" and will also be available for review at the Meeting. A copy of the Omnibus Plan is available upon request from the Company's CFO at PO Box 48681 Stn Bentall Centre, Vancouver BC, V7X 1A6 and 1-888-407-5450 during business hours on any business day before the holding of the Meeting.

Relevant disinterested shareholders, as described under the heading "*Votes Necessary to Pass Resolutions*" of this Information Circular, will be asked to consider and, if deemed appropriate, authorize, ratify, approve and confirm, the Omnibus Plan (the "**Omnibus Plan Resolution**"). The Omnibus Plan Resolution must be approved by not less than a majority of the votes cast in respect thereof by shareholders other than insiders of the Company and their associates (as defined in TSXV Policies, collectively, the "**Insiders**"). See the heading "*Executive Compensation – Option Plan and Omnibus Plan*" for more information on the Omnibus Plan.

At the Meeting, relevant disinterested shareholders will be asked to vote on the following ordinary resolution:

**BE IT RESOLVED THAT:**

1. The continuation of the Company's Omnibus Plan, as described and included in the Information Circular, be ratified and approved until the next annual general meeting of the Company; and
2. Any one or more of the directors or officers of the Company is authorized and directed, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the resolution.

The Board has determined that the continuation of the Omnibus Plan is in the best interests of the Company and its shareholders. **Accordingly, the Board unanimously recommends that the shareholders approve the continuation of the Omnibus Plan by voting FOR the above resolution at the Meeting.**

Proxies received in favour of management will be voted in favour of the continuation of the Omnibus Plan, unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

The Company's Audit Committee Charter sets out the Audit Committee's mandate and responsibilities, and is attached as Schedule "A" hereto.

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

Throughout the financial year ended December 31, 2020 and at the present time, the current members of the Audit Committee are composed of Messrs. Cahill, MacDonald and Pokrandt. Each member is independent within the meaning of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). All members of the Audit Committee are financially literate within the meaning of NI 52-110.

### **Relevant Education and Experience**

The following is a summary of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

- Mr. Cahill is the President and CEO of Excellon Resources Inc. (a reporting issuer) and is a member of the Law Society of Upper Canada.
- Mr. MacDonald is a Chartered Professional Accountant (CPA, CA) and professional corporate director.
- Mr. Pokrandt is the former CEO of Hive Blockchain Technologies Inc. (a reporting issuer).

Such education and experience provides each member with:

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

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*);
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*);
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

### **Pre-Approval Policies and Procedures**

The Audit Committee pre-approves fees for non-audit services.

### **External Auditor Service Fees**

The aggregate fees billed by the Company's auditors, being PricewaterhouseCoopers LLP, are shown in the table below.

<u>Nature of Services</u>	<u>Auditors fees for the Year Ended December 31, 2020</u>	<u>Auditors fees for the Year Ended December 31, 2019</u>
Audit Fees <sup>(1)</sup>	\$123,440	\$32,851
Audit Related Fees <sup>(2)</sup>	\$47,187	N/A
Tax Fees <sup>(3)</sup>	\$20,858	\$69,496
<b>Total</b>	<b>\$191,485</b>	<b>\$102,347</b>

## Notes:

1. "Audit Fees" include fees billed to perform the annual audit of KORE Mining Ltd for the years ended December 31, 2020 and 2019 and quarterly review of the interim financial statements for KORE Mining Ltd. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents reviews of securities filings and statutory audits, including prospectus offerings.
2. "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation. For the year ended December 31, 2020, fees also include fees in relation to the spin-out of Karus Gold Corp.
3. "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

**Exemption**

The Company is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of National Instrument 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

**STATEMENT OF CORPORATE GOVERNANCE**

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices the Company is required to and hereby discloses its corporate governance practices as follows.

**Board of Directors**

The board of directors of the Company (the "**Board**") is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Company and its subsidiaries. The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

A director is independent if he or she has no direct or indirect material relationship with the Company that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. Applicable securities laws set out certain situations where a director is deemed to have a material relationship with the Company.

As at the date of the Information Circular, the Board is currently comprised of six directors, three of whom are considered independent under applicable securities laws, namely, Robert MacDonald, Harry Pokrandt and Brendan Cahill. Mr. Scott Trebilcock and Mr. James Hynes are officers of the Company, and Mr. Adrian Rothwell is a former officer of the Company and are therefore not independent. The remaining directors of the Company are "independent" in that they are free from any direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of his independent judgment.

## **Ethical Business Conduct**

The Company has implemented a Code of Business Conduct and Ethics that addresses ethical conduct in the work environment and business practises and relationships and which explains the standard of behaviour that the Company expects of its employees in their activities and in dealing with others.

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

## **Nomination of Directors**

The Board does not have a nominating committee and these functions are currently performed by the Compensation and Governance Committee. The Compensation and Governance Committee is made up of Robert MacDonald, Harry Pokrandt and Brendan Cahill, each of whom are independent.

The Compensation and Governance Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

## **Compensation**

The Board has appointed the Compensation and Governance Committee to oversee compensation policies and practises and to conduct reviews with regard to directors' and officers' compensation once a year. To make its recommendation on directors' and officers' compensation, the Compensation and Governance Committee relies solely on the experience and knowledge of its members.

### Other Committees

The Board has no committees other than the Audit Committee and the Compensation and Governance Committee.

### Assessments

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

### Outside Directorships

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

<u>Name of Director</u>	<u>Name of Other Reporting Issuer</u>
James Hynes	Apollo Silver Corp. Karus Gold Corp.
Robert J. (Don) Macdonald	None
Harry Pokrandt	Baltic I Acquisition Corp. Mayfair Gold Corp.
Scott Trebilcock	Karus Gold Corp. Au Gold Corp.
Jay Sujir	Abigail Capital Corporation Baltic I Acquisition Corp. Collingwood Resources Corp. Gotham Resource Corp. Golden Lake Exploration Inc. Goldspot Discoveries Corp. Kutcho Copper Corp. Kenorland Minerals Ltd. Libero Copper & Gold Corporation Outcrop Gold Corp. Vanadian Energy Corp. Voleo Trading Systems Inc.

## EXECUTIVE COMPENSATION

For the purpose of the following disclosure regarding executive compensation:

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

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

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

#### Director and Named Executive Officer Compensation

The following information is presented in accordance with Form 51-102F6V – Statement of Executive Compensation – Venture Issuers and provides details of all compensation for each of the directors and named executive officers of the Company for the years ended December 31, 2020 and 2019.

During the financial year ended December 31, 2020, the Company had four (4) NEOs: Scott Trebilcock, President, CEO and a director, Jessica Van Den Akker, CFO, James Hynes, Executive Chairman and Marc Leduc, Chief Operating Officer (“COO”). There were no other executive officers of the Company who individually earned more than \$150,000 in total compensation. There were six (6) individuals who served as a director of the Company for all or part of the fiscal year, two of which were also a Named Executive Officer of the Company, namely Scott Trebilcock and James Hynes.

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each current and former NEO and director, in any capacity, for the years ended December 31, 2020 and 2019.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Scott Trebilcock <sup>(1)</sup> President, CEO and a Director	2020	200,000	125,000	Nil	Nil	Nil	325,000
	2019	100,000	Nil	Nil	Nil	Nil	100,000
Jessica Van Den Akker <sup>(2)</sup> CFO	2020	127,500	62,500	Nil	Nil	Nil	190,000
	2019	50,000	Nil	Nil	Nil	Nil	50,000
James Hynes <sup>(3) (4)</sup> Executive Chairman	2020	200,000	125,000	Nil	Nil	Nil	325,000
	2019	225,000	Nil	Nil	Nil	Ni	225,000

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Marc Leduc <sup>(5)</sup> COO	2020 2019	250,016 45,250	Nil Nil	Nil Nil	Nil Nil	Nil Nil	250,016 45,250
Brendan Cahill <sup>(6)</sup> Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Robert J ("Don") MacDonald <sup>(6)</sup> Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Harry Pokrandt <sup>(6)</sup> Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Adrian Rothwell <sup>(7) (8)</sup> Former President and CEO and a Director	2020 2019	Nil 166,667	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 166,667

## Notes:

- (1) Mr. Trebilcock has served as President and CEO and director since July 3, 2019. Compensation is paid for Mr. Trebilcock's duties as CEO in the form of management fees paid to Faerun Consulting Inc., a company controlled by Mr. Trebilcock.
- (2) Ms. Van Den Akker was appointed CFO on February 1, 2019. Management fees are paid to J. Van Consulting Inc., a company controlled by Ms. Van Den Akker.
- (3) Mr. Hynes has served as director since October 30, 2018 and served as COO from October 30, 2018 to October 29, 2019.
- (4) Management fees paid to 1081646 BC Ltd, a company controlled by Mr. Hynes. 1081646 BC Ltd. receives \$200,000 per year pursuant to a consulting agreement dated July 1, 2016; all compensation is paid for his role as Executive Chairman.
- (5) Mr. Leduc was appointed COO on October 29, 2019.
- (6) Messrs. Pokrandt, MacDonald and Cahill have served as directors since October 30, 2018.
- (7) Mr. Rothwell received \$250,000 per year pursuant to a consulting agreement dated July 1, 2016.
- (8) Mr. Rothwell has served as a director since October 30, 2018 and served as the President and CEO from October 30, 2018 to July 3, 2019.

### Stock Options and Other Compensation Securities

Particulars of the compensation securities granted or issued to each director and named executive officer by the Company during the year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Company are set out below:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry date
Scott Trebilcock <sup>(2)</sup> President, CEO and a Director	Stock Options	NIL	N/A	N/A	N/A	N/A	N/A
	Restricted Share Units	75,000 RSUs, 30.24% of class	December 30, 2020	\$1.66	\$1.73	\$1.71	December 30, 2023

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(1)</sup> (\$)	Expiry date
Jessica Van Den Akker <sup>(3)</sup> CFO	Stock Options	300,000 options to acquire 300,000 shares, 3.63% of class <sup>(4)</sup>	April 28, 2020	\$0.43	\$0.43	\$1.71	April 27, 2025
	Restricted Share Units	38,000 RSUs, 15.32% of class	December 30, 2020	\$1.66	\$1.73	\$1.71	December 30, 2023
James Hynes <sup>(4)</sup> Executive Chairman	Stock Options	NIL	N/A	N/A	N/A	N/A	N/A
	Restricted Share Units	75,000 RSUs, 30.24% of class	December 30, 2020	\$1.66	\$1.73	\$1.71	December 30, 2023
Marc Leduc <sup>(5)</sup> COO	Stock Options	500,000 options to acquire 500,000 shares, 6.05% of class	April 28, 2020	\$0.43	\$0.43	\$1.71	April 27, 2025
	Restricted Share Units	60,000 RSUs, 24.19% of class	December 30, 2020	\$1.66	\$1.73	\$1.71	December 30, 2023
Brendan Cahill <sup>(6)</sup> Director	Stock Options	NIL	N/A	N/A	N/A	N/A	N/A
	Restricted Share Units	NIL	N/A	N/A	N/A	N/A	N/A
Robert J. (Don) MacDonald <sup>(7)</sup> Director	Stock Options	NIL	N/A	N/A	N/A	N/A	N/A
	Restricted Share Units	NIL	N/A	N/A	N/A	N/A	N/A
Harry Pokrandt <sup>(8)</sup> Director	Stock Options	NIL	N/A	N/A	N/A	N/A	N/A
	Restricted Share Units	NIL	N/A	N/A	N/A	N/A	N/A
Adrian Rothwell <sup>(9)</sup> Former President and CEO and a Director	Stock Options	NIL	N/A	N/A	N/A	N/A	N/A
	Restricted Share Units	NIL	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Reflects the closing price of the common shares of the Company on the Exchange (as defined below) on December 31, 2020.
- (2) As at December 31, 2020, Mr. Trebilcock held a total of 2,600,000 stock options representing 31.45% of the options outstanding and 75,000 restricted share units representing 30.24% of the restricted share units outstanding.
- (3) As at December 31, 2020, Ms. Van Den Akker held a total of 450,000 stock options representing 5.44% of the options outstanding and 75,000 restricted share units representing 15.32% of the restricted share units outstanding.
- (4) As at December 31, 2020, Mr. Hynes held a total of 750,000 stock options representing 9.07% of the options outstanding and 75,000 restricted share units representing 30.24% of the restricted share units outstanding.
- (5) As at December 31, 2020, Mr. Leduc held a total of 1,000,000 stock options representing 12.10% of the options outstanding and 60,000 restricted share units representing 24.19% of the restricted share units outstanding.
- (6) As at December 31, 2020, Mr. Cahill held a total of 750,000 stock options representing 9.07% of the options outstanding.
- (7) As at December 31, 2020, Pokrandt held a total of 750,000 stock options representing 9.07% of the options outstanding.
- (8) As at December 31, 2020, Mr. Rothwell held a total of 750,000 stock options representing 9.07% of the options outstanding.

## Exercise of Compensation Securities

During the year ended December 31, 2020 none of the directors or NEOs of the Company exercised any compensation securities other than below:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price of security on the date of exercise (\$)	Total value on exercise date
Adrian Rothwell  Former President and CEO and a Director	Options	333,333	\$0.14	April 21, 2020	\$0.28	\$0.14	\$46,667

## Stock Option Plans and Other Incentive Plans

### Option Plan

The Company has in effect a “rolling” stock option plan (the “**Option Plan**”) which sets the number of options available for grant by the Company at an amount equal to up to a maximum of 10% of the Company's issued and outstanding common shares from time to time, less any common shares reserved for issuance under other share compensation arrangements. Under the policies of the TSXV a rolling stock option plan must be re-approved on a yearly basis by shareholders. The Option Plan was re-approved at the October 9, 2020 annual general meeting of the Company's shareholders.

The purpose of the Option Plan is to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company has no equity compensation plans other than the Option Plan with the exception of the proposed Omnibus Plan. Some of the key provisions of the Option Plan are as follows:

- the Option Plan reserves, for issue pursuant to stock options, a maximum number of common shares equal to 10% of the outstanding common shares of the Company from time to time;

- the number of common shares reserved for issue to any one person in any 12 month period under the Option Plan may not exceed 5% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- the number of common shares reserved for issue to any persons performing Investor Relations Activities on behalf of the Company in any 12 month period under the Option Plan may not exceed 2% of the outstanding common shares at the time of grant;
- stock options granted to Consultants performing Investor Relations Activities must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than  $\frac{1}{4}$  of the options vesting in any 3 month period;
- the grant to Insiders within a 12 month period, of a number of options may not exceed 10% of the outstanding common shares at the time of exercise without Disinterested Shareholder Approval;
- the issuance to any one optionee within a 12 month period, of a number of shares exceeding 5% of the outstanding common shares at the time of granting the options without Disinterested Shareholder Approval;
- the exercise price per common share for a stock option may not be less than the Discounted Market Price (as calculated pursuant to the policies of the Exchange), subject to a minimum price of \$0.10;
- stock options may have a term not exceeding five years;
- if an optionee dies prior to the expiry of his option, his heirs, administrators or legal representatives may, by the earlier of (a) one year from the date of the optionee's death (or such lesser period as may be specified by the Board at the time of granting the option); and (b) the expiry date of the option, exercise any portion of such option;
- if an optionee ceases to be a Director, Officer, Employee or Consultant for any reason other than death, such optionee's option will terminate within a reasonable period;
- stock options are non-assignable and non-transferable; and
- the Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation or subdivision of the Company's common shares, or if the Company is a party to a reorganization, merger, dissolution or its common shares are exchanged or reclassified in any way.

### *Omnibus Plan*

#### Purpose

The purpose of the Omnibus Plan is to assist the Company and its affiliates in attracting and retaining individuals to serve as employees, directors, consultants or advisors who are expected to contribute to the Company's success and to achieve long-term objectives that will benefit shareholders of the Company.

#### Types of Awards

The Omnibus Plan provides for the grant of restricted share units ("**Restricted Share Units**"), deferred share units ("**Deferred Share Units**"), performance awards ("**Performance Awards**") and other share-based awards ("**Other Share-Based Awards**") (each an "**Award**" and, collectively, the "**Awards**"). All Awards are granted by an agreement, certificate or other instrument or document evidencing the Award granted under the Omnibus Plan (an "**Award Agreement**").

A Restricted Share Unit is an Award that is valued by reference to a Common Share, which value may be paid to the participant in Common Shares or cash as determined by the Board in its sole discretion upon the satisfaction of vesting restrictions as the Board may establish, which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Board may deem appropriate, all as set out in the applicable Award Agreement.

A Deferred Share Unit is essentially a Restricted Share Units with deferred delivery, being an Award that is valued by reference to a Common Share, which value may be paid to the Participant in Common Shares or cash as determined by the Committee in its sole discretion upon the satisfaction of vesting restrictions as the Committee may establish, which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee may deem appropriate, all as set out in the applicable Award Agreement.

A Performance Award is any: (i) cash incentives payable to the participant upon the achievement of such performance goals as the Board shall establish, as set out in the applicable Award Agreement; (ii) unit valued by reference to a designated number of Common Shares, which value may be paid to the Participant upon achievement of such performance goals as the Board shall establish, as set out in the applicable Award Agreement; or (iii) unit valued by reference to a designated amount of cash or property other than Common Shares, which value may be paid to the participant upon achievement of such performance goals during the performance period as the Board shall establish, as set out in the applicable Award Agreement.

Other Share-Based Awards are other Awards that are valued in whole or in part by reference to, or are otherwise based on, Common Shares or other property.

#### Plan Administration

The Omnibus Plan will be administered by the Board or a subcommittee thereof formed by the Board.

#### Shares Available for Awards

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of Common Shares issuable upon the exercise or redemption and settlement of all Awards under the Omnibus Plan will not exceed 10,605,828.

#### Limitation on Grants

The Omnibus Plan provides the follow limitations on grants:

1. The maximum number of Common Shares issuable upon the exercise or redemption and settlement of all Awards granted under the Omnibus Plan shall not exceed 10,605,828.
2. The Company cannot grant Awards:
  - (a) to any one person in any 12 month period which could, when exercised, result in the issuance of Common Shares to such person exceeding 5% of the issued and outstanding Common Shares of the Company unless the Company has obtained the requisite approval to the grant;
  - (b) to any one consultant in any 12 month period which could, when exercised, result in the issuance of Common Shares to such person exceeding 2% of the issued and outstanding Common Shares of the Company; or
  - (c) in any 12 month period, to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Common Shares to such persons exceeding, in aggregate, 2% of the issued and outstanding Common Shares of the Company.

### Eligible Participants

Any employee, director, or consultant of the Company or any of its Affiliates is eligible to be selected to receive an Award under the Omnibus Plan. Eligibility for the grant of Awards and actual participation in the Omnibus Plan is determined by the Board in its discretion.

### Effect of Termination

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

1. **Termination for Cause:** All of the participant's vested and unvested Awards immediately terminate;
2. **Termination not for Cause:** All of the participant's unvested Awards immediately terminate and any vested Awards remain exercisable until the earlier of 90 days following the termination date and the expiry date of the Award;
3. **Voluntary Resignation:** All of the participant's unvested Awards are immediately forfeited on the termination date and any vested Awards remain exercisable until the earlier of 90 days following the termination date and the expiry date of the Award;
4. **Termination due to Disability or Retirement:** All of the participant's unvested Awards immediately terminate and become void and any vested Awards remain exercisable until the earlier of 90 days following the date of retirement or the date on which the participant ceases his or her employment or service relationship with the Company or any Affiliate by reason of permanent disability and the expiry date of the Award;
5. **Termination Due to Death:** Any vested Award granted to such a 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 Common Shares only which such participant was entitled to acquire under the respective Award (the "**Vested Awards**") on the date of such participant's death. Such Vested Awards shall only be exercisable or redeemable within six months after the participant's death or prior to the expiration of the original term of the Award whichever occurs earlier; or
6. **Termination due to Extended Leave of Absence:** The Board may determine, at its sole discretion but subject to applicable laws, that such participant's participation in the Omnibus Plan shall be terminated, provided that all vested Awards granted to the participant shall remain outstanding and in effect until the applicable exercise or redemption date, or an earlier date determined by the Board at its sole discretion.

The date of termination of a participant's employment or services will be determined by the Board, which determination will be final.

### Change of Control

In the event of a Change of Control (as defined in the Omnibus Plan), unless otherwise provided in an Award Agreement or any other written agreement between the Company and the participant, the Board will take one or more of the following actions with respect to Awards, contingent upon the closing or completion of the Change of Control:

- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change of Control);

- (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
- (c) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change of Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change of Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change of Control in accordance with the exercise procedures determined by the Board (in all cases with such acceleration of vesting and exercisability still contingent upon the closing or completion of the Change of Control as provided above, and with any such acceleration of vesting and/or exercise to be unwound if the Change of Control does not actually occur);
- (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
- (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for no consideration or such consideration, if any, as the Board, in its sole discretion, may consider appropriate; or
- (f) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for a payment, in such form as may be determined by the Board, equal to the excess, if any, of (a), the per share amount (or value of property per share) payable to holders of common shares in connection with the Change of Control, over (b) the per share exercise price under the applicable Award, multiplied by the number of Shares subject to the Award. For clarity, this payment may be \$0 if the amount per share (or value of property per share) payable to the holders of the Common Shares is equal to or less than the per share exercise price of the Award. In addition, any escrow, holdback, earnout or similar provisions in the definitive agreement for the Change of Control may apply to such payment to the holder of the Award to the same extent and in the same manner as such provisions apply to the holders of Common Shares.

#### Assignment

Except as specifically provided in an Award Agreement approved by the Board, each Award granted under the Omnibus 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.

Notwithstanding the foregoing, to the extent and under such terms and conditions as determined by the Board, a participant may assign or transfer an Award without consideration (each transferee thereof, a "**Permitted Assignee**") (i) to a trust which the Participant is a beneficiary of; (ii) to a holding entity (as such term is defined in National Instrument 45-106 Prospectus Exemptions) of such Participant; or (iii) to an RRSP, RRIF or TFSA of such Participant; provided that such Permitted Assignee shall be bound by and subject to all of the terms and conditions of the Omnibus Plan and the Award Agreement relating to the transferred Award and shall execute an agreement satisfactory to the Company evidencing such obligations; and provided further that such Participant shall remain bound by the terms and conditions of the Omnibus Plan. The Company shall cooperate with any Permitted Assignee and the Company's transfer agent in effectuating any such permitted transfer. No Award may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

### Amendment

The Board may suspend or terminate the Omnibus Plan at any time, or from time to time amend or revise the terms of the Omnibus Plan or any granted Award without the consent of the participants provided that such suspension, termination, amendment or revision shall:

- (a) not adversely alter or impair the rights of any participant, without the consent of such participant except as permitted by the provisions of the Omnibus Plan;
- (b) be in compliance with applicable law; and
- (c) be subject to shareholder approval where required by law or the requirements of the TSXV.

The Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Company but subject to applicable laws and the rules of the TSXV make the following amendments to the Omnibus Plan:

- (a) any amendment to the vesting provisions, if applicable, or assignability provisions of any Awards;
- (b) any amendment regarding the effect of termination of a participant's employment or engagement;
- (c) any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body;
- (d) 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;
- (e) any amendment regarding the administration of the Omnibus Plan;
- (f) any amendment to add provisions permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, or adopt a clawback provision applicable to equity compensation; and
- (g) any other amendment that does not require the approval of the shareholders of the Company under the Omnibus Plan.

Shareholder approval or Disinterested Shareholder Approval (as defined in the Omnibus Plan) is required to make the following amendments:

- (a) any increase to the maximum number of Common Shares issuable under the Omnibus Plan;
- (b) any amendment which extends the expiry date of any Award, except in accordance with provisions of the Omnibus Plan;
- (c) any amendment which increases the maximum number of restricted share units, deferred share units, performance awards, or other Awards which may be granted pursuant to the Omnibus Plan;
- (d) any amendment that would permit an Award to be transferable or assignable other than for normal estate settlement purposes or in accordance with the Omnibus Plan; and
- (e) any amendment to the amendment provisions of the Plan; or
- (f) any other amendment required to be approved by shareholders under applicable law or required by the TSXV.

### Awards Issued under Omnibus Plan

As of the date hereof, there have been 248,000 restricted stock units issued under the Omnibus Plan.

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

Other than as set forth below, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a NEO or director of the Company; or (b) performed by any other party which provided services that are typically provided by a NEO or a director of the Company.

Pursuant to a consulting agreement dated January 1, 2021 between the Company and 1081646 BC Ltd., a company controlled by Mr. Hynes, the Company agreed to pay 1081646 BC Ltd. a consulting fee of \$16,667 per month and eligible for an annual performance bonus of up to 100% of the annual fees for an indefinite term. The agreement may be terminated at any time by the Company with 12 months' written notice or payment of fees in lieu thereof provided that all unexercised and unvested stock options shall immediately vest and be exercisable by the earlier of a) the expiry date of the options or b) twelve months after the date on which the agreement is terminated. In the event the agreement is terminated in the 12 month period following a Change of Control (as defined in the agreement between 1081646 BC Ltd. and the Company), the Company must pay 1081646 BC Ltd. a lump sum payment equal to 24 months' fees, 24 months' performance bonus and all unexercised and unvested stock options shall immediately vest and be exercisable by the earlier of a) the expiry date of the options or b) 12 months after the date on which the consulting agreement is terminated.

Pursuant to a consulting agreement dated July 3, 2019 between the Company and Faerun Consulting Inc. ("**Faerun**"), a company controlled by Mr. Trebilcock, the Company agreed to pay Faerun a consulting fee of \$16,666 per month and eligible for an annual performance bonus of up to 100% of the annual fees for a term of two years. The agreement may be terminated by the Company with twelve months' written notice or payment of fees in lieu thereof, provided that all unexercised and unvested stock options shall immediately vest and be exercisable by the earlier of a) the expiry date of the options or b) twelve months after the date on which the agreement is terminated; or for a material breach of the agreement. In the event the agreement is terminated in the twelve-month period following a Change of Control (as defined in the agreement between Faerun and the Company), the Company must pay Faerun a lump sum payment equal to twenty four months' fees, , 24 months' performance bonus and all unexercised and unvested stock options shall immediately vest and be exercisable by the earlier of a) the expiry date of the options or b) twelve months after the date on which the consulting agreement is terminated.

Pursuant to a consulting agreement dated April 21, 2020 between the Company and Marc Leduc, P. Eng., ("**Leduc**"), the Company agreed to pay Leduc a consulting fee of US\$18,000 per month for a term of twelve months, which may be extended by mutual agreement. In the event the agreement is terminated in the twelve-month period following a Change of Control (as defined in the agreement between Leduc and the Company), the Company must pay Leduc a lump sum payment equal to twenty four months' fees and all unexercised and unvested stock options shall immediately vest and be exercisable by the earlier of a) the expiry date of the options or b) twelve months after the date on which the consulting agreement is terminated. In July 2020, Leduc became an employee of a wholly owned subsidiary of the Company, while all other aspects of the agreement continue.

Pursuant to a consulting agreement dated January 1, 2020 between the Company and J. Van Consulting Inc. ("**J. Van**"), a company controlled by Jessica Van Den Akker, the Company agreed to pay J. Van a consulting fee of \$7,500 per month for a term of twelve months and eligible for an annual performance bonus of up to 50% of the annual fees. The agreement may be terminated by the Consultant with 60 days' written notice and by the Company for any reason within 90 days written notice or payment in fees in lieu thereof or for a material breach. All unexercised and unvested stock options shall immediately vest and be exercisable by the earlier of a) the expiry date of the options or b) twelve months after the date on which the agreement is terminated. In the event the agreement is terminated in the twelve-month period following

a Change of Control (as defined in the agreement between J. Van and the Company), the Company must pay J. Van a lump sum payment equal to twelve months' fees and all unexercised and unvested stock options shall immediately vest and be exercisable by the earlier of a) the expiry date of the options or b) twelve months after the date on which the consulting agreement is terminated. Effective September 1, 2020, the monthly fee was increased to \$12,000 per month.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Compensation of Directors***

The Company's compensation and governance committee (the "**Compensation and Governance Committee**"), through discussions without any formal objectives, criteria or analysis, is responsible for determining all forms of compensation to be granted to the directors of the Company to be recommended to the Board of Directors for approval. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance and the availability of financial and other resources of the Company.

Non-executive directors do not currently receive directors' fees or fees for participation on committees of the Board of Directors. Long-term incentives in the form of stock options are granted to non-executive directors from time to time, based on an existing complement of long-term incentives, corporate performance and to be competitive with other companies of similar size and scope. The Compensation and Governance Committee will annually review the Board of Directors' performance, and will report and make recommendations accordingly.

### ***Compensation of NEOs***

The Compensation and Governance Committee is responsible for determining all forms of compensation to be paid to the CEO, and for reviewing the CEO's recommendations regarding compensation of the other NEOs of the Company, to ensure such arrangements reflect the performance of each NEO in light of the corporate goals and objectives relevant to such compensation.

The key objectives of the Company's executive compensation program are: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the compensation paid to NEOs consists of base salary and/or long-term incentives in the form of stock options, as set out below.

The Company's executive compensation program is designed to retain, encourage, compensate and reward executives on the basis of individual and corporate performance, both in the short- and the long-term. Base salaries will be based on a number of factors enabling the Company to compete for and retain executives critical to the Company's long-term success. Share ownership opportunities through stock options will be provided to align the interests of executive officers with the longer term interests of shareholders.

In determining specific compensation amounts for executive officers, the Compensation and Governance Committee considers factors such as experience, individual performance, length of service, contribution towards the achievement of corporate objectives and positive exploration and development results, stock price and compensation compared to other employment opportunities for executive officers.

Compensation paid to NEOs during the fiscal year ended December 31, 2020 is noted in the table above, which includes aggregate bonuses of \$312,500 and 248,000 RSUs. The Company has contractual arrangements with its Executive Chairman, CEO, CFO, and COO, all of which is described under "*Employment, Consulting and Management Agreements*". The amount of bonus and RSUs awarded was informally based on Company performance, including factors such as: safety and environmental incidents, issuance of technical reports, share price and valuation metrics, and exploration work completed, while

taking into account pay structures for similar companies in terms of size, asset and stage of development. The cash portion of the bonus will be deferred until completion of a subsequent financing.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

### Pension disclosure

The Company does not have a pension plan, retirement plan, deferred compensation plan or similar plan.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only current equity compensation plan of the Company is the Option Plan, described above under "Executive Compensation".

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	10,441,668	\$0.44	1,023,023
Equity compensation plans not approved by securityholders	NA	NA	NA
Total	10,441,668		1,023,023

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officers or directors, or former executive officers or directors, nor any associate of such individuals, is as at the date hereof, or has been since the beginning of the financial year ended December 31, 2020 indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, or controls or directs, directly or indirectly, voting shares of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

### ADDITIONAL INFORMATION

Financial information is provided in the audited consolidated financial statements of the Company for the year ended December 31, 2020 and in the related management discussion and analysis, which will be placed before shareholders at the Meeting. Additional information relating to the Company can be found under the Company's issuer profile at [www.sedar.com](http://www.sedar.com). Copies of the Company's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020 will be available upon request from the Company's CFO at PO Box 48681 Stn Bentall Centre, Vancouver BC, V7X 1A6 and 1-888-407-5450. Copies of these documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

### OTHER MATTERS

As of the date of this Information Circular, the Board is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

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

DATED at Vancouver, British Columbia this 25<sup>th</sup> day of October, 2021.

BY ORDER OF THE BOARD

***"Scott Trebilcock"***

Scott Trebilcock  
Chief Executive Officer

**Schedule "A"**  
**AUDIT COMMITTEE CHARTER**

**A. OVERVIEW AND PURPOSE**

The Audit Committee of KORE Mining Ltd. ("Kore") has been formed to enable the Board of Directors of Kore to perform its obligations with respect to compliance with applicable securities laws and the rules of the Exchange.

The Audit Committee is responsible to the Board of Directors of Kore. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

- (a) disclosure of financial and related information;
- (b) the relationship with and expectations of the external auditors of Kore, including the establishment of the independence of the external auditors;
- (c) the oversight of Kore's internal controls; and
- (d) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors of Kore chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

**B. ORGANIZATION**

**1. Size and Membership Criteria**

The Audit Committee will consist of three or more Directors of Kore. A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding Shares of Kore or other securities which are exchangeable into Shares of Kore, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Kore.

All members of the Audit Committee should be financially literate and be able to read and understand basic financial statements, or should strive to become financially literate within a reasonable period of time after being appointed as a member of the Audit Committee. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

**2. Appointment and Vacancies**

The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of Kore. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of Kore or ceases to be a Director of Kore. Where a vacancy occurs at any time in the membership of the Audit Committee the Board of Directors of Kore may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

**C. MEETINGS**

**1. Frequency**

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee may also meet at least once per year with management and the external auditors of Kore in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

**2. Chair**

The Board of Directors of Kore or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chair from amongst their number. If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the Chair of the meeting will be chosen by the Audit Committee from among the members present. The Audit Committee will also appoint a secretary who need not be a Director of Kore.

**3. Time and Place of Meetings**

The time and place of meetings of the Audit Committee and the procedure at such meeting will be determined from time to time by the members of the Audit Committee, provided that:

- (a) a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and
- (b) notice of the time and place of every meeting will be given in writing or facsimile to each member of the Audit Committee, the internal auditors, the external auditors and the corporate secretary of Kore at least 24 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (an attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called). A meeting of the Audit Committee may be called by the corporate secretary of Kore on the direction of the President of Kore, by any member of the Audit Committee or the external auditors. Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of the meeting of the Audit Committee.

**4. Agenda**

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors and corporate secretary of Kore in advance of the meeting of the Audit Committee not later than three business days prior to each meeting.

**5. Resources**

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee, and to set the pay and compensation for such consultants. The Audit Committee may request any officer or employee of Kore or its subsidiaries or the legal counsel to Kore or the external auditors of Kore to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

**D. DUTIES AND RESPONSIBILITIES**

The Board of Directors of Kore has delegated the following duties and responsibilities to the Audit Committee and the Audit Committee shall have the sole authority and responsibility to carry out these duties and responsibilities.

**1. Review and Reporting Procedures**

The Audit Committee will make regular reports to the Board of Directors of Kore. The Audit Committee will review and re-assess the Audit Committee Charter on an annual basis and make recommendations for changes to this Charter. The Audit Committee will also periodically perform a self- assessment of its performance against its mandate.

**2. Financial Reporting**

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of Kore the following financial statements and related information prior to filing or public dissemination:

- (a) annual audited financial statements of Kore, including notes;
- (b) interim financial statements of Kore;
- (c) management discussion and analysis (“MD&A”) relating to each of the annual audited financial statements and the interim financial statements of Kore;
- (d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of Kore, including the use of non-GAAP earnings measures;
- (e) the annual report of Kore;
- (f) all financial-related disclosure to be included in management proxy circulars of Kore in connection with meetings of shareholders; and
- (g) all financial-related disclosure to be included in or incorporated by reference into any prospectus or other offering documents that may be prepared by Kore.

As part of this review process, the Audit Committee will meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the relevant financial information.

The Audit Committee will also review the following items in relation to the above listed documents:

- (a) significant accounting and reporting issues or plans to change accounting practices or policies and the financial impact thereof;
- (b) any significant or unusual transactions;
- (c) significant management estimates and judgments; and
- (d) monthly financial statements.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders.

### **3. External Auditors**

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of Kore (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing its audit report or performing other audit, review or attest services. As a result, the Audit Committee will review and recommend the appointment of the external auditors and the remuneration of the external auditors.

The Audit Committee will review on an annual basis the performance of the external auditors of Kore. The Audit Committee will discuss with the external auditors any disclosed relationships or non-audit services that the external auditors propose to provide to Kore or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of Kore for the coming financial year.

Prior to the release of the annual financial statements of Kore, the Audit Committee will discuss certain matters required to be communicated to the Audit Committee by the external auditors in accordance with the standards established by the Canadian Institute of Chartered Accountants. The Committee will also consider the external auditors' judgment about the quality and appropriateness of Kore's accounting principles as applied in the Kore's financial reporting.

### **4. Legal and Compliance**

The Audit Committee is responsible for reviewing with management of Kore the following:

- (a) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of Kore and its subsidiaries which would have a material current or future effect on the financial condition of Kore;
- (b) major risk exposures facing Kore and the steps that management has taken to monitor, control and manage such exposures, including Kore's risk assessment and risk management guidelines and policies;
- (c) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of Kore and its subsidiaries and the manner in which these matters have been disclosed in the financial statements; and
- (d) the quarterly and annual certificates of the CEO and the CFO of Kore certifying Kore's quarterly and annual financial filings in compliance with Multilateral Instrument 52-109 of the Canadian Securities Administrators.

### **5. Internal Controls**

The Audit Committee is responsible for reviewing the adequacy of Kore's internal control structures and procedures designed to ensure compliance with applicable laws and regulations. The Audit Committee is responsible for establishing procedures for the following:

- (a) the receipt, retention and treatment of complaints received by Kore regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees or consultants of Kore of concerns regarding questionable accounting or auditing matters.

The Audit Committee will review and approve Kore's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors. The Audit Committee will also review the letters from the external auditors of Kore outlining the material weaknesses in internal controls noted from their audit, including relevant drafts of such letters.

**Schedule "B"**  
**STOCK OPTION PLAN**

1. PURPOSE

The purpose of this stock option plan (the "Plan") is to authorize the grant to Eligible Persons (as defined herein) of KORE Mining Ltd. (the "Corporation") of options to purchase common shares ("Shares") of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation (the "Board") or a committee established by the Board for that purpose (the "Committee"). Subject to approval of the granting of options by the Board or Committee, as applicable, the Corporation shall grant options under the Plan.

3. SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of paragraph 12 hereof, the aggregate number of Shares which may be issued and sold under the Plan will not exceed such number of Shares as is equal to 10% of the aggregate number of Shares issued and outstanding at the time of any stock option grant. The total number of Shares which may be issued or reserved for issuance to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding Shares, unless the approval of disinterested shareholders of the Corporation has been obtained. The Corporation shall not, upon the exercise of any option, be required to issue or deliver any Shares prior to: (a) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed, and (b) the completion of such registration or other qualification of such Shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any Shares cannot be issued to any option holder (each, an "Optionee") for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation shall be returned to the Optionee.

4. LIMITS WITH RESPECT TO INSIDERS

- (a) The maximum number of Shares which may be reserved for issuance to insiders under the Plan, any other stock option plans of the Corporation, or other options for services granted by the Corporation, shall be 10% of the shares issued and outstanding at the time of any stock option grant (on a non-diluted basis).
- (b) The maximum number of options which may be granted to insiders under the Plan, together with any other previously established or proposed share compensation arrangements, within any one year period shall be 10% of the outstanding Shares at the time of any stock option grant.

5. ELIGIBILITY

Options shall be granted only to Eligible Persons, any registered savings plan established by an Eligible Person or any corporation wholly-owned by an Eligible Person. The term "Eligible Person" means:

- (a) a senior officer or director of the Corporation or any of its subsidiaries;
- (b) either:

- (i) an individual who is considered an employee under the *Income Tax Act*,
- (ii) an individual who works full-time for the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, or
- (iii) an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source

(in any case, an "Employee");

- (c) an individual employed by a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual (a "Company"), which individual is providing management services to the Corporation through such Company, or an individual (together with a Company, a "Person") providing management services directly to the Corporation, which management services are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities (as hereafter defined) (a "Management Company Employee");
- (d) an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, who:
  - (i) provides ongoing consulting services to the Corporation or an Affiliate of the Corporation under a written contract other than services provided in relation to a Distribution (as defined in the policies of the TSX Venture Exchange (the "TSX-V"));
  - (ii) possesses technical, business or management expertise of value to the Corporation or an Affiliate of the Corporation; spends a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation;
  - (iii) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation; and
  - (iv) does not engage in Investor Relations Activities (as hereafter defined) any such individual, a "Consultant";
- (e) an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, that falls within the definition of Consultant contained in subsections 5(d)(i) through (iv) which provides Investor Relations Activities (an "Investor Relations Consultant"); or
- (f) a person that falls within the definition of Eligible Person contained in any of subsections 5(a), (b) or (d) which provides Investor Relations Activities (an "Investor Relations Person").

For purposes of the foregoing, a Company is an "Affiliate" of another Company if: (a) one of them is the subsidiary of the other; or (b) each of them is controlled by the same person.

The term "Investor Relations Activities" means any activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
  - (i) to promote the sale of products or services of the Corporation,
  - (ii) to raise public awareness of the Corporation, or
  - (iii) that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (b) activities or communications necessary to comply with the requirements of
  - (i) applicable securities laws, policies or regulations,
  - (ii) the rules, and regulations of the TSX-V or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation; or
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
  - (i) the communication is only through the newspaper, magazine or publication, and
  - (ii) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the TSX-V.

For stock options to be granted to Employees, Consultants, Management Company Employees or Investor Relations Persons, the Corporation and the Optionee must each represent that the Optionee is a *bona fide* Employee, Consultant, Management Company Employee or Investor Relations Person as the case may be. The terms "insider", "controlled" and "subsidiary" shall have the meanings ascribed thereto in the *Securities Act* (British Columbia) from time to time. Subject to the foregoing, the Board or Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of Shares subject to each option.

## 6. LIMITS WITH RESPECT TO CONSULTANTS AND INVESTOR RELATIONS PERSONS

- (a) The maximum number of stock options which may be granted to any one Consultant under the Plan, any other stock option plans of the Corporation or other options for services granted by the Corporation, within any 12 month period, must not exceed 2% of the Shares issued and outstanding at the time of the grant (on a non-diluted basis), without the prior consent of the TSX-V.

- (b) The maximum number of stock options which may be granted to Investor Relations Persons under the Plan, any other stock option plans of the Corporation or other options granted for services by the Corporation, within any 12 month period must not exceed, in the aggregate, 2% of the Shares issued and outstanding at the time of the grant (on a non-diluted basis), without the prior consent of the TSX-V.

#### 7. PRICE

The purchase price (the "Price") for the Shares under each option shall be determined by the Board or Committee, as applicable, on the basis of the market price of the Shares, where "market price" shall mean the prior trading day closing price of the Shares on any stock exchange on which the Shares are listed or the last trading price on the prior trading day on any dealing network where the Shares trade, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the daily high and low board lot trading prices of the Shares on any stock exchange on which the Shares are listed or dealing network on which the Shares trade for the five (5) immediately preceding trading days. In the event the Shares are listed on the TSX-V, the price may be the market price less any discounts from the market price allowed by the TSX-V, subject to a minimum price of \$0.10. In the event the Shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board. The approval of disinterested shareholders will be required for any reduction in the Price of a previously granted option to an insider of the Corporation.

#### 8. PERIOD OF OPTION AND RIGHTS TO EXERCISE

Subject to the provisions of this paragraph 8 and paragraphs 9, 10 and 17 below, options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding five years. The Shares to be purchased upon each exercise of any option (the "Optioned Shares") shall be paid for in full at the time of such exercise. Except as provided in paragraphs 9, 10 and 17 below, no option which is held by a service provider may be exercised unless the Optionee is then a service provider for the Corporation.

#### 9. CESSATION OF PROVISION OF SERVICES

Subject to paragraph 10 below, if any Optionee who is a service provider shall cease to be an Eligible Person of the Corporation for any reason (whether or not for cause), the Optionee may, but only within the period of ninety days (unless such period is extended by the Board or the Committee, as applicable, to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the Shares trade where required), or thirty days if the Eligible Person is an Investor Relations Person (unless such period is extended by the Board or the Committee, as applicable, to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the Shares trade where required), next succeeding such cessation and in no event after the expiry date of the Optionee's options, exercise the Optionee's options unless such period is extended as provided in paragraph 10 below.

#### 10. DEATH OF OPTIONEE

In the event of the death of an Optionee during the currency of the Optionee's option, the options theretofore granted to the Optionee shall be exercisable within, but only within, the period of one year next succeeding the Optionee's death. Before expiry of any options under this paragraph 10, the Board or Committee, as applicable, shall notify the Optionee's representative in writing of such expiry.

11. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION

Any option granted under the Plan shall be non-assignable and non-transferable by an Optionee otherwise than by will or by the laws of descent and distribution, and options shall be exercisable, during an Optionee's lifetime, only by the Optionee.

12. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the Board or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price of the options of an insider of the Corporation, the Corporation will be required to obtain approval from disinterested shareholders.

13. AMENDMENT AND TERMINATION OF THE PLAN

The Board or Committee, as applicable, may at any time amend or terminate the Plan, but any such amendment shall be subject to regulatory approval, if required.

14. EFFECTIVE DATE OF THE PLAN

The Plan becomes effective on the date of its approval by the Board.

15. EVIDENCE OF OPTIONS

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the applicable Optionee which shall give effect to the provisions of the Plan.

16. EXERCISE OF OPTION

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by an Optionee delivering to the Corporation, at its registered office, a written notice of exercise specifying the number of Shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the Shares then being purchased. Upon receipt of a certificate of an authorized officer directing the issue of Shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the Optioned Shares in the name of such Optionee or the Optionee's legal personal representative or as may be directed in writing by the Optionee's legal personal representative.

17. VESTING RESTRICTIONS

Options issued under the Plan may vest at the discretion of the Board or Committee, as applicable, provided that if required by any stock exchange on which the Shares then trade, options issued to Investor Relations Consultants must vest in stages over not less than 12 months with no more than one quarter (1/4) of the options vesting in any three month period.

18. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

If at any time when an option granted under this Plan remains unexercised with respect to any Optioned Shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event,

the Corporation shall notify the Optionees in writing of such transaction, offer or proposal as soon as practicable and, provided that the Board or Committee, as applicable, has determined that no adjustment shall be made pursuant to section 12 hereof, (i) the Board or Committee, as applicable, may permit any Optionee to exercise their options granted under this Plan, as to all or any of the Optioned Shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the Optionee may participate in such transaction, offer or proposal; and (ii) the Board or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise. For these purposes, an "Acceleration Event" means:

- (a) the acquisition by any "offeror" (as defined National Instrument 62-104 - *Take Over Bids and Issuer Bids* of the Canadian Securities Administrators) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- (b) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
- (c) any sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation; or
- (d) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

#### 19. RIGHTS PRIOR TO EXERCISE

An Optionee shall have no rights whatsoever as a shareholder in respect of any of the Optioned Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Optioned Shares in respect of which the Optionee shall have exercised the option to purchase hereunder and which the Optionee shall have actually taken up and paid for.

#### 20. EXPIRY OF OPTION

- (a) On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Optioned shares in respect of which the option has not been exercised.
- (b) Notwithstanding anything else contained in this Plan, and subject to the applicable provisions in the TSX-V Corporate Finance Manual, if an option expires during a Blackout Period (as defined herein) applicable to an applicable Optionee, then the expiration date for that option shall be the date that is the tenth business day after the expiry date of such Blackout Period, unless, at the applicable time, the applicable Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities. This section applies to all options outstanding under

this Plan. For the purposes of this Plan, "Blackout Period" means a period of time during which an Optionee cannot exercise an option or sell Optioned Shares due to the Corporation's insider trading policy or any other applicable policy of the Corporation.

21. TAX MATTERS

The Corporation shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any stock option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the Optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Optionee (whether arising pursuant to the Optionee's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the Optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the stock options as it determines are required to be sold by the Corporation, as trustee, to satisfy any withholding obligations net of selling costs. The Optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares issuable upon exercise of the stock options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the stock options.

22. GOVERNING LAW

This Plan, and all matters related hereto or arising hereunder, shall be construed in accordance with and be governed by the laws of the Province of British Columbia and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

## Schedule "C"

### OMNIBUS PLAN

KORE Mining Ltd., a corporation organized under the laws of British Columbia, Canada (the "**Company**"), hereby establishes and adopts the following Omnibus Incentive Plan (the "**Plan**").

#### 1. PURPOSE OF THE PLAN

**1.1 Purpose.** The purpose of the Plan is to assist the Company and its Affiliates in attracting and retaining individuals to serve as employees, directors, consultants or advisors who are expected to contribute to the Company's success and to achieve long-term objectives that will benefit the shareholders of the Company through the additional incentives inherent in the Awards hereunder.

#### 1.2 Participation in the Plan.

- (a) 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 any Award, 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. 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.
- (b) 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 Committee, 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 Committee) shall be no greater than the rights of an unsecured creditor of the Company.
- (c) Unless otherwise determined by the Committee, the Company shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.
- (d) For Awards to be granted to Employees, Directors or Consultants, the Company and the Participant must each represent that the Participant is a bona fide Employee, Director or Consultant, as the case may be.

#### 2. 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:

- (a) "**Affiliate**" shall have the meaning ascribed to such term in NI 45-106.
- (b) "**Award**" shall mean any Restricted Share Unit Award, Restricted Share Award, Deferred Share Unit Award, Other Share-Based Award, Performance Award (including, for greater

certainty, Awards of Performance Cash, Performance Shares or Performance Units) or any other right, interest or option relating to Shares or other property (including cash) granted pursuant to the provisions of the Plan.

- (c) **“Award Agreement”** shall mean any agreement, contract, certificate or other instrument or document evidencing any Award hereunder, whether in writing or through an electronic medium, as amended.
- (d) **“Black-Out Period”** shall mean a period of time when pursuant to any policies of the Company (including the Company’s insider trading policy, if any), any securities of the Company may not be traded by certain Persons designated by the Company.
- (e) **“Board”** shall mean the board of directors of the Company.
- (f) **“Cause”** shall have the meaning set forth in the Award Agreement or other arrangement between a Participant and the Company, and if no such other definition shall exist, then “Cause” shall mean a Participant’s (i) repeated failure to satisfactorily perform his or her job duties, including but not limited to Participant’s refusal or failure to follow lawful and reasonable directions of the supervisor to whom Participant reports; (ii) commission of an act that materially injures the business of the Company or an Affiliate; (iii) commission of an act constituting dishonesty, fraud, or immoral or disreputable conduct; (iv) conviction of a felony, or conviction of any crime involving moral turpitude; (v) engaging or in any manner participating in any activity which is directly competitive with or injurious to the Company or an Affiliate, or which violates any material provisions of any written employment or similar agreement with the Company or an Affiliate; (vi) use or intentional appropriation for Participant’s personal use or benefit of any funds, information or properties of the Company or an Affiliate not authorized by the Company to be so used or appropriated; (vii) other conduct which may constitute cause for dismissal of employment pursuant to common law; (viii) in the case of a Participant who is a Director, failure to continue to meet the qualifications for acting as a director as set forth in the Business Corporations Act (British Columbia); (ix) removal as a Director by a resolution passed by the shareholders of the Company pursuant to the Business Corporations Act (British Columbia); or (x) removal as a Director by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order. The determination that the termination is for Cause shall be made by the Board in its sole discretion. Notwithstanding the foregoing, neither this provision nor any other provision of the Plan is intended to, and they shall not be interpreted in a manner that limits or restricts a Participant from exercising any legally protected whistleblower rights.
- (g) **“Change of Control”** shall have the meaning set out in Section 11.5.
- (h) **“Committee”** shall mean the Board or a subcommittee thereof formed by the Board to act as the Committee hereunder.
- (i) **“Consultant”** shall mean an individual or Consultant Company, other than an Employee or a Director, that:
  - (i) is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution,
  - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or a Consultant Company,

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company, and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (j) **"Consultant Company"** shall mean, for an individual consultant, a company of which the individual consultant is an employee or shareholder.
- (k) **"Deferred Share Units"** means an Award that is valued by reference to a Share, which value may be paid to the Participant in Shares or cash as determined by the Committee in its sole discretion upon the satisfaction of vesting restrictions as the Committee may establish (essentially Restricted Share Units with deferred delivery), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee may deem appropriate, all as set out in the applicable Award Agreement.
- (l) **"Director"** shall mean a director of the Company or an Affiliate of the Company.
- (m) **"Disinterested Shareholder Approval"** shall mean approval by a majority of the votes cast with respect to such approval by the Company's shareholders at a duly constituted shareholders' meeting, excluding votes required to be excluded in respect of the subject matter of such approval pursuant to applicable laws or Exchange Rules.
- (n) **"Dividend Equivalent"** shall have the meaning set out in Section 11.10.
- (o) **"Eligible Person"** shall mean a Person who is a Director, Employee or Consultant.
- (p) **"Employee"** shall mean:
  - (i) an individual who is considered an employee of the Company or an Affiliate of the Company under the Income Tax Act (Canada) or other applicable tax laws,
  - (ii) an individual who works full-time for the Company or an Affiliate of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company or such Affiliate over the details and methods of work, as an employee of the Company or such Affiliate, but for whom income tax deductions are not made at source, or
  - (iii) an individual who works for the Company or an Affiliate of the Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or such Affiliate over the details and methods of work as an employee of the Company or such Affiliate, but for whom income tax deductions are not made at source.
- (q) **"Exchange"** shall mean the TSX Venture Exchange or, if the Shares are no longer listed for trading on the TSX Venture Exchange, such other primary exchange or quotation system on which the Shares are listed or quoted for trading.
- (r) **"Exchange Rules"** shall mean the rules and policies of the Exchange, as amended from time to time.

- (s) **“Fair Market Value”** shall mean, with respect to Shares as of any date, (i) the closing price of the Shares as reported on the Exchange on such date or, if there is no closing price on that date, then on the last preceding date on which such a closing price was reported; (ii) if the Shares are not listed on any Canadian or U.S. national securities exchange but are quoted in an inter-dealer quotation system on a last sale basis, the final sale price of the Shares reported on the inter-dealer quotation system for such date, or, if there is no such sale on such date, then on the last preceding date on which a sale was reported; or (iii) if the Shares are neither listed on a Canadian or U.S. national securities exchange nor quoted on an inter-dealer quotation system on a last sale basis, the amount determined by the Committee to be the fair market value of the Shares as determined by the Committee in its sole discretion. The Fair Market Value of any property other than Shares shall mean the market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.
- (t) **“Incumbent Board”** shall have the meaning set out in Section 10.3(a)(iv)
- (u) **“insider”** shall have the meaning ascribed to such term in the Securities Act.
- (v) **“Investor Relations Activities”** shall have the meaning ascribed to such term in the Securities Act.
- (w) **“Management Company Employee”** shall mean an individual employed by a Person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person providing Investor Relations Activities to the Company.
- (x) **“NI 45-106”** shall mean National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators, as the same may be amended or replaced from time to time.
- (y) **“Other Share-Based Awards”** shall have meaning set out in Section 7.1.
- (z) **“Participant” shall mean a bona fide Employee, Director or Consultant who is selected by the Committee** to receive an Award under the Plan.
- (aa) **“Performance Award”** shall mean any Award of Performance Cash, Performance Shares, or Performance Units granted pursuant to Article 8.
- (bb) **“Performance Cash”** shall mean any cash incentives granted pursuant to Article 8 payable to the Participant upon the achievement of such performance goals as the Committee shall establish, as set out in the applicable Award Agreement.
- (cc) **“Performance Period”** shall mean the period established by the Committee during which any performance goals specified by the Committee with respect to a Performance Award are to be measured, as set out in the applicable Award Agreement.
- (dd) **“Performance Share”** shall mean any grant pursuant to Article 8 of a unit valued by reference to a designated number of Shares, which value may be paid to the Participant upon achievement of such performance goals as the Committee shall establish, as set out in the applicable Award Agreement.
- (ee) **“Performance Unit”** shall mean any grant pursuant to Article 8 of a unit valued by reference to a designated amount of cash or property other than Shares, which value may be paid to

the Participant upon achievement of such performance goals during the Performance Period as the Committee shall establish, as set out in the applicable Award Agreement.

- (ff) **"Permitted Assignee"** shall have the meaning set out in Section 11.4.
- (gg) **"Person"** shall mean any individual, firm, partnership, limited partnership, limited liability company or partnership, unlimited liability company, association, trust, trustee, executor, administrator, legal or personal representative, government, governmental body, entity or authority, group, body corporate, corporation, unincorporated organization or association or any other entity, whether or not having legal personality, and any of the foregoing in any derivative, representative or fiduciary capacity and pronouns have a similar extended meaning;
- (hh) **"Restricted Share Award"** shall have the meaning set out in Section 6.1.
- (ii) **"Restricted Share Unit"** means an Award that is valued by reference to a Share, which value may be paid to the Participant in Shares or cash as determined by the Committee in its sole discretion upon the satisfaction of vesting restrictions as the Committee may establish, which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee may deem appropriate, all as set out in the applicable Award Agreement.
- (jj) **"SEC"** shall mean the Securities and Exchange Commission.
- (kk) **"Securities Act"** means the *Securities Act* of 1933, as amended.
- (ll) **"Shares"** shall mean the common shares of the Company.
- (mm) **"Subsidiary"** shall mean any corporation which is a subsidiary, as such term is defined in Subsection 1(1) of the Securities Act.
- (nn) **"Substitute Awards"** shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines.
- (oo) **"Tax Act"** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time.
- (pp) **"Termination Date"** means (i) in the event of a Participant's resignation, the date on which such Participant ceases to be an Employee, Director or Consultant of the Company or an Affiliate and (ii) in the event of the termination of the Participant's employment, or position as Director or Consultant the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or an Affiliate, as the case may be.
- (qq) **"U.S. Exchange Act"** shall mean the *United States Securities Exchange Act* of 1934, as amended.
- (rr) **"U.S. Participant"** means a Participant who is a resident of the United States and is otherwise subject to the U.S. Tax Code.
- (ss) **"U.S. Securities Act"** shall mean the *United States Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof;

- (tt) **“U.S. Tax Code”** shall mean the Internal Revenue Code of 1986, as amended from time to time.
- (uu) **“Vesting Period”** shall mean the period of time specified by the Committee during which vesting restrictions for an Award are applicable, as set out in the applicable Award Agreement.

## **2.2 Interpretation.**

- (a) Whenever the Committee 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 Committee.
- (b) 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.
- (c) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (d) 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.
- (e) Unless otherwise specified in the Award Agreement, all references to money amounts are to Canadian currency.
- (f) 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.
- (g) 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.

## **3. SHARES SUBJECT TO THE PLAN**

### **3.1 Number of Shares.**

- (a) The maximum number of Shares which may be reserved for issuance under this Plan at any time shall be 10,605,828 Shares, subject to adjustment as provided in Section 11.3. Additionally, the Company shall not, subject to approval by Disinterested Shareholders or other requirements of applicable Exchange Rules:
  - (i) grant Awards:
    - (A) to any one Person in any 12 month period which could, when exercised, result in the issuance of Shares to such Person exceeding 5% of the issued and outstanding Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant;
    - (B) to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares to such Person exceeding 2% of the issued and outstanding Shares of the Company; or

- (C) in any 12 month period, to Persons who are insiders which could, when exercised, result in the issuance of Shares to such Persons exceeding 10% of the issued and outstanding Shares of the Company, unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant.
- (b) The maximum number of Shares which may be reserved for issuance to insiders under this Plan and any other equity compensation plan, including the Company's option plan, shall be 10% of the issued and outstanding Shares of the Company, unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant.
- (c) The limitations set out in Section 3.1(a) only apply to Awards which can be settled in Shares and not Awards which may be settled in cash only.
- (d) If any Award expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Award expires or is terminated shall be added back to the Plan and again be available for future grant, whereas the number of Shares underlying any grant of Awards that are issued upon exercise shall not be available for future grants.
- (e) Awards may not be granted unless and until the Awards have been allocated to specific Persons, and then, once allocated, a minimum Fair Market Value can be established.
- (f) 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 number of Shares reserved for issuance pursuant to the settlement of all Awards.

**3.2 Character of Shares.** Any Shares issued hereunder may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares purchased in the open market or otherwise.

#### **4. ADMINISTRATION**

##### **4.1 Administration.**

- (a) The Plan shall be administered by the Committee. The Committee shall have full power and authority, subject to the provisions of the Plan and subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board, to: (i) select the Employees, Directors and Consultants to whom Awards may from time to time be granted hereunder; (ii) determine the type or types of Awards to be granted to each Participant hereunder; (iii) determine the number of Shares (or dollar value) to be covered by each Award granted hereunder; (iv) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award granted hereunder; (v) determine whether, to what extent and under what circumstances Awards may be settled in cash, Shares or other property; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other property and other amounts payable with respect to an Award made under the Plan shall be deferred either automatically or at the election of the Participant; (vii) determine whether, to what extent and under what circumstances any Award shall be canceled or suspended, or vesting terms or other restrictions waived or accelerated; (viii) interpret and administer the Plan and any instrument or agreement entered into under or in connection with the Plan, including any Award Agreement; (ix) correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent that the Committee shall deem desirable to carry it into effect; (x) establish such rules and regulations and appoint such agents as it shall

deem appropriate for the proper administration of the Plan; (xi) determine whether any Award will have Dividend Equivalents; (xii) amend the terms of any Award Agreement, subject to and in accordance with Section 11.2; and (xiii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

- (b) Decisions of the Committee shall be final, conclusive and binding on all persons or entities, including the Company, any Participant, and any Affiliate. A majority of the members of the Committee may determine its actions, including fixing the time and place of its meetings. Notwithstanding the foregoing, any action or determination by the Committee specifically affecting or relating to an Award to a Director shall require the prior approval of the full Board.
- (c) To the extent not inconsistent with applicable law or the Exchange Rules, the Committee may authorize one or more executive officers to do one or more of the following with respect to Employees who are not directors or executive officers of the Company (A) designate Employees to be recipients of Awards, (B) determine the number of Shares subject to such Awards to be received by such Employees and (C) cancel or suspend Awards to such Employees; provided that (x) any resolution of the Committee authorizing such officer(s) must specify the total number of Shares subject to Awards that such officer(s) may so award and (y) the Committee may not authorize any officer to designate himself or herself as the recipient of an Award.

## 5. DEFERRED SHARE UNITS

**5.1 Grants.** Awards of Deferred Share Units may be granted hereunder to Participants either alone or in addition to other Awards granted under the Plan (a “Deferred Share Unit Award” respectively), and such Deferred Share Unit Awards shall also be available as a form of payment of Performance Awards and other earned cash-based incentive compensation. The Committee has absolute discretion to determine whether any consideration (other than services) is to be received by the Company or any Affiliate as a condition precedent to the grant of Deferred Share Units, subject to such minimum consideration as may be required by applicable law and the Exchange Rules. The Award Agreement shall specify the Vesting Period for the Deferred Share Units.

**5.2 Award Agreements.** The terms of any Deferred Share Unit Award granted under the Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Plan. The terms of Deferred Share Unit Awards need not be the same with respect to each Participant.

**5.3 Rights of Holders of Deferred Share Units.** Unless otherwise provided in the Award Agreement, the Deferred Share Unit Award evidences the right for such Participant to receive an Award (or cash payment equal to the Fair Market Price of the Share) upon satisfaction of vesting conditions, retirement, termination or death. A Participant who holds a Deferred Share Unit Award shall only have those rights specifically provided for in the Award Agreement; provided, however, in no event shall the Participant have voting rights with respect to such Award until the actual Shares are issued. Any Shares or any other property distributed as a dividend or otherwise with respect to any Deferred Share Unit Award as to which the vesting conditions have not yet lapsed shall be subject to the same restrictions as such Deferred Share Unit Award, and the Committee shall have the sole discretion to determine whether, if at all, any cash-denominated amount that is subject to such restrictions shall earn interest and at what rate.

## 6. RESTRICTED SHARE AND RESTRICTED SHARE UNITS

**6.1 Grants.** Awards of Restricted Share and of Restricted Share Units may be granted hereunder to Participants either alone or in addition to other Awards granted under the Plan (a “Restricted Share Award”

or “Restricted Share Unit Award” respectively), and such Restricted Share Awards and Restricted Share Unit Awards shall also be available as a form of payment of Performance Awards and other earned cash-based incentive compensation. The Committee has absolute discretion to determine whether any consideration (other than services) is to be received by the Company or any Affiliate as a condition precedent to the grant of Restricted Share or Restricted Share Units, subject to such minimum consideration as may be required by applicable law and the Exchange Rules. The Award Agreement shall specify the Vesting Period for the Restricted Share or Restricted Share Units.

**6.2 Award Agreements.** The terms of any Restricted Share Award or Restricted Share Unit Award granted under the Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Plan. The terms of Restricted Share Awards and Restricted Share Unit Awards need not be the same with respect to each Participant.

**6.3 Rights of Holders of Restricted Share and Restricted Share Units.** Unless otherwise provided in the Award Agreement, beginning on the date of grant of the Restricted Share Award and subject to execution of the Award Agreement, the Participant shall become a shareholder of the Company with respect to all Shares subject to the Award Agreement and shall have all of the rights of a shareholder, including the right to vote such Shares and the right to receive distributions made with respect to such Shares, except as otherwise provided in this Section. A Participant who holds a Restricted Share Unit Award shall only have those rights specifically provided for in the Award Agreement; provided, however, in no event shall the Participant have voting rights with respect to such Award. Any Shares or any other property distributed as a dividend or otherwise with respect to any Restricted Share Award or Restricted Share Unit Award as to which the restrictions have not yet lapsed shall be subject to the same restrictions as such Restricted Share Award or Restricted Share Unit Award, and the Committee shall have the sole discretion to determine whether, if at all, any cash-denominated amount that is subject to such restrictions shall earn interest and at what rate.

**6.4 Issuance of Shares.** Any Restricted Share granted under the Plan may be evidenced in such manner as the Board may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Company. Any such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Share.

## **7. OTHER SHARE-BASED AWARDS**

**7.1 Grants.** Other Share-Based Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property (“Other Share-Based Awards”), including deferred share units, may be granted hereunder to Participants either alone or in addition to other Awards granted under the Plan. Other Share-Based Awards shall also be available as a form of payment of other Awards granted under the Plan and other earned cash-based compensation.

**7.2 Award Agreements.** The terms of Other Share-Based Awards granted under the Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Plan. The terms of such Awards need not be the same with respect to each Participant. Other Share-Based Awards may be subject to vesting restrictions during the Vesting Period as specified by the Committee.

**7.3 Payment.** Except as may be provided in an Award Agreement, Other Share- Based Awards may be paid in cash, Shares, other property, or any combination thereof, in the sole discretion of the Committee. Other Share-Based Awards may be paid in a lump sum or in installments or, in accordance with procedures established by the Committee, on a deferred basis subject, in the case of a U.S. Participant, to the requirements of Section 409A of the U.S. Tax Code.

**7.4 Deferral of Director Fees; Other Director Awards.** Directors may, if determined by the Board, receive Other Share-Based Awards in the form of deferred share units (or any other Award, subject to the discretion of the Board) in lieu of all or a portion of their annual compensation, if any. In addition, if determined by the Board, Directors may elect to receive Other Share-Based Awards in the form of deferred share units (or any other Award, subject to the discretion of the Board) in lieu of all or a portion of their annual and committee compensation, if any, and annual meeting fees, if any, provided that, in the case of a U.S. Participant, such election is made in accordance with the requirements of Section 409A of the U.S. Tax Code, as applicable. The Committee shall, in its absolute discretion, establish such rules and procedures as it deems appropriate for such elections and for payment in deferred share units, or other Awards, as the case may be.

## **8. PERFORMANCE AWARDS**

**8.1 Grants.** Performance Awards, as determined by the Committee in its sole discretion, may be granted hereunder to Participants, for no consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The performance goals for Performance Awards to be achieved for each Performance Period shall be conclusively determined by the Committee and may be based upon such criteria as determined by the Committee in its discretion.

**8.2 Award Agreements.** The terms of any Performance Award granted under the Plan shall be set forth in an Award Agreement (or, if applicable, in a resolution duly adopted by the Committee) which shall contain provisions determined by the Committee and not inconsistent with the Plan, including whether such Awards shall have Dividend Equivalents. The terms of Performance Awards need not be the same with respect to each Participant.

**8.3 Terms and Conditions.** The performance criteria to be achieved during any Performance Period and the length of the Performance Period shall be determined by the Committee upon the grant of each Performance Award. The amount of the Award to be distributed shall be conclusively determined by the Committee.

**8.4 Payment.** Except as provided in Article 9, as provided by the Committee or as may be provided in an Award Agreement, Performance Awards will be distributed only after the end of the relevant Performance Period. Performance Awards may be paid in cash, Shares, other property, or any combination thereof, in the sole discretion of the Committee. Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee, on a deferred basis subject to, in the case of a U.S. Participant, the requirements of Section 409A of the U.S. Tax Code.

## **9. CEASING TO BE AN EMPLOYEE, DIRECTOR OR CONSULTANT**

**9.1** Upon a Participant ceasing to be an Eligible Person then, subject to Section 10 and subject to the terms of any applicable Award Agreement:

- (a) for Cause, any vested or unvested Award granted to such Participant shall terminate automatically and become void immediately;
- (b) as a result of his or her employment or service relationship with the Company or an Affiliate being terminated without Cause (i) any unvested Award granted to such Participant shall terminate and become void immediately and (ii) any vested Award granted to such Participant may be exercised by such Participant or redeemed and settled by the Company. Unless otherwise determined by the Committee (to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the Shares trade where required, in its sole discretion), such Award shall only be

exercisable or redeemable within 90 days after the Termination Date, after which the Award will expire;

- (c) as a result of his or her resignation from the Company or an Affiliate, (i) each unvested Award granted to such Participant shall terminate and become void immediately upon resignation and (ii) each vested Award granted to such Participant will cease to be exercisable or redeemable 90 days following the Termination Date, after which the Award will expire;
- (d) by reason of retirement or permanent disability, (i) any unvested Award shall terminate and become void immediately, and (ii) any vested Award will cease to be exercisable or redeemable 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 Affiliate by reason of permanent disability, after which the Award will expire;
- (e) by reason of death, any vested Award 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 Award (the "Vested Awards") on the date of such Participant's death. Such Vested Awards shall only be exercisable or redeemable within twelve months after the Participant's death or prior to the expiration of the original term of the Award whichever occurs earlier;
- (f) by reason of electing a voluntary leave of absence of more than twelve months, including maternity and paternity leaves, the Board may determine, at its sole discretion but subject to applicable laws, that such Participant's participation in the Plan shall be terminated, provided that all vested Awards granted to the Participant shall remain outstanding and in effect until the applicable exercise or redemption date, or an earlier date determined by the Board at its sole discretion.

## **10. CHANGE IN CONTROL PROVISIONS**

**10.1 Impact of Change of Control.** The following provisions will apply to Awards in the event of a Change of Control unless otherwise provided in an Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change of Control, then, notwithstanding any other provision of the Plan, the Board will take one or more of the following actions with respect to Awards, contingent upon the closing or completion of the Change of Control:

- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change of Control);
- (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
- (c) accelerate the vesting, subject to Exchange approval, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change of Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change of Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change of Control in accordance with the exercise procedures

determined by the Board (in all cases with such acceleration of vesting and exercisability still contingent upon the closing or completion of the Change of Control as provided above, and with any such acceleration of vesting and/or exercise to be unwound if the Change of Control does not actually occur);

- (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
- (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for no consideration or such consideration, if any, as the Board, in its sole discretion, may consider appropriate; or
- (f) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change of Control, in exchange for a payment, in such form as may be determined by the Board, equal to the excess, if any, of (i), the per share amount (or value of property per share) payable to holders of common shares in connection with the Change of Control, over (ii) the per share exercise price under the applicable Award, multiplied by the number of Shares subject to the Award. For clarity, this payment may be \$0 if the amount per share (or value of property per share) payable to the holders of the Shares is equal to or less than the per share exercise price of the Award. In addition, any escrow, holdback, earnout or similar provisions in the definitive agreement for the Change of Control may apply to such payment to the holder of the Award to the same extent and in the same manner as such provisions apply to the holders of Shares.
- (g) The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants.

**10.2 Appointment of Shareholder Representative.** As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Change of Control involving the Company, including, without limitation, a provision for the appointment of a shareholder representative that is authorized to act on the Participant's behalf with respect to any escrow or other contingent consideration.

**10.3 Change of Control.**

- (a) Unless otherwise provided in an Award Agreement, "Change of Control" means the occurrence of any one of the following events (provided, however, that any definition of Change of Control in an Award Agreement may not provide that a Change of Control will occur prior to consummation or effectiveness of a change in control of the Company and may not provide that a Change of Control will occur upon the announcement, commencement, shareholder approval or other potential occurrence of any event or transaction that, if completed, would result in a change in control of the Company):
  - (i) an acquisition by a Person, or one or more Persons acting jointly or in concert, of the beneficial ownership of securities of the Company resulting in such Person or Persons holding securities representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation, plan of arrangement, amalgamation or similar transaction. Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because the level of ownership held by a person, entity or group exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change of Control

would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, a person, entity or group becomes the owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities owned by such person, entity or group over the designated percentage threshold, then a Change of Control shall be deemed to occur;

- (ii) there is consummated a merger, consolidation, plan of arrangement, amalgamation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation, plan of arrangement, amalgamation or similar transaction, the shareholders of the Company immediately prior thereto do not own, directly or indirectly, outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation, plan of arrangement, amalgamation or similar transaction or more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation, plan of arrangement, amalgamation or similar transaction;
- (iii) there is consummated a sale or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale, lease, license or other disposition; or
- (iv) individuals who, on the effective date of the Plan, 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.

## **11. GENERALLY APPLICABLE PROVISIONS**

**11.1 Approval Required for Plan.** Prior to its implementation by the Company, the Plan is subject to approval by the Exchange and Disinterested Shareholder Approval.

### **11.2 Amendment and Termination of the Plan.**

- (a) Subject to approval by the Exchange, the Board may suspend or terminate the Plan at any time, or from time to time amend or revise the terms of the Plan or any granted Award without the consent of the Participants provided that such suspension, termination, amendment or revision shall:
  - (i) not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (ii) be in compliance with applicable law; and
  - (iii) be subject to shareholder approval including Disinterested Shareholder Approval if applicable, where required by law or the requirements of the Exchange provided

that the Committee may, from time to time, in its absolute discretion and without approval of the shareholders of the Company make the following amendments to this Plan:

- (A) any amendment to the vesting provisions, if applicable, or assignability provisions of any Award;
  - (B) any amendment regarding the effect of termination of a Participant's employment or engagement;
  - (C) any amendment necessary to comply with applicable law or the requirements of the Exchange or any other regulatory body;
  - (D) 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;
  - (E) any amendment regarding the administration of the Plan;
  - (F) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, or adopt a clawback provision applicable to equity compensation; and
  - (G) any other amendment that does not require the approval of the shareholders of the Company under Section 11.2(b).
- (b) Notwithstanding Section 11.2(a), the Board shall be required to obtain shareholder approval or Disinterested Shareholder Approval, if required by the Exchange Rules, to make the following amendments:
- (i) any increase to the maximum number of Shares issuable under the Plan except in the event of an adjustment pursuant to Section 11.3;
  - (ii) any amendment which extends the expiry date of any Award;
  - (iii) any amendment that would permit an Award to be transferable or assignable other than for normal estate settlement purposes or in accordance with Section 11.4; and
  - (iv) any amendment to the amendment provisions of the Plan; or
  - (v) any other amendment required to be approved by shareholders under applicable law or under the Exchange Rules.

**11.3 Adjustments.** In the event of any merger, plan of arrangement, amalgamation, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Shares or the value thereof, such adjustments and other substitutions shall be made to the Plan and to Awards in a manner the Committee deems equitable or appropriate taking into consideration the accounting and tax consequences, including such adjustments in the aggregate number, class and kind of securities that may be delivered under the Plan and, in the aggregate or to any Participant, in the number, class, kind and exercise price of securities subject to outstanding Awards granted under the

Plan (including, if the Committee deems appropriate, the substitution of similar options to purchase the shares of, or other awards denominated in the shares of, another company); provided, however, that the number of Shares subject to any Award shall always be a whole number.

**11.4 Transferability of Awards.** Except as specifically provided in an Award Agreement approved by the Committee, 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. Notwithstanding the foregoing, to the extent and under such terms and conditions as determined by the Committee, a Participant may assign or transfer an Award without consideration (each transferee thereof, a "Permitted Assignee") (i) to a trust which the Participant is a beneficiary of; (ii) to a holding entity (as such term is defined in NI 45-106 of such Participant); or (iii) to an RRSP, RRIF or TFSA of such Participant; provided that such Permitted Assignee shall be bound by and subject to all of the terms and conditions of the Plan and the Award Agreement relating to the transferred Award and shall execute an agreement satisfactory to the Company evidencing such obligations; and provided further that such Participant shall remain bound by the terms and conditions of the Plan. The Company shall cooperate with any Permitted Assignee and the Company's transfer agent in effectuating any such permitted transfer. No Award granted hereunder may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

**11.5 Termination of Employment or Services.** The date of termination of a Participant's employment or services will be determined by the Committee, which determination will be final.

**11.6 Grant of Awards.** 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.

**11.7 Conformity to Plan.** In the event that an Award is granted or an Award 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.

**11.8 Rights as a Shareholder.** Subject to Section 6.4, 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. Without in any way limiting the generality of the foregoing, 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.

**11.9 Deferral.** The Committee shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred.

**11.10 Dividend Equivalents.** Subject to the provisions of the Plan and any Award Agreement, the recipient of an Award may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, amounts equivalent to cash, stock or other property dividends on Shares ("Dividend Equivalents") with respect to the number of Shares covered by the Award, as determined by the Committee, in its sole discretion. The Committee may provide that the Dividend Equivalents (if any) shall be deemed

to have been reinvested in additional Shares or otherwise reinvested or accumulated and credited to a bookkeeping account, but in any event shall be subject to the same restrictions and risk of forfeiture as the underlying Award and shall not be paid unless and until the underlying Award is vested.

**11.11 Change in Time Commitment.** In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

## **12. MISCELLANEOUS**

**12.1 Award Agreements.** Each Award Agreement shall either be (a) in writing in a form approved by the Committee and executed by the Company by an officer duly authorized to act on its behalf, or (b) an electronic notice in a form approved by the Committee and recorded by the Company (or its designee) in an electronic recordkeeping system used for the purpose of tracking one or more types of Awards as the Committee may provide; in each case and if required by the Committee, the Award Agreement shall be executed or otherwise electronically accepted by the recipient of the Award in such form and manner as the Committee may require. The Committee may authorize any officer of the Company to execute any or all Award Agreements on behalf of the Company. The Award Agreement shall set forth the material terms and conditions of the Award as established by the Committee consistent with the provisions of the Plan.

### **12.2 Tax Withholding.**

- (a) 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 Committee determines, including by (i) 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 12.2 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, (ii) requiring that the Participant remit, at or before the exercise of such Award, payment in cash of an amount equal to such withholding obligation in respect of such exercise; or (iii) any other mechanism as may be required or determined by the Company as appropriate.
- (b) Notwithstanding Section 12.2(a), 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.

**12.3 Right of Discharge Reserved; Claims to Awards.** Nothing in the Plan nor the grant of an Award hereunder shall confer upon any Employee, Director or Consultant the right to continue in the employment or service of the Company or any Affiliate or affect any right that the Company or any Affiliate may have to terminate the employment or service of (or to demote or to exclude from future Awards under the Plan) any

such Employee, Director or Consultant at any time for any reason. The Company shall not be liable for the loss of existing or potential profit from an Award granted in the event of termination of an employment or other relationship. No Employee, Director or Consultant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Employees, Directors or Consultants under the Plan.

**12.4 Substitute Awards.** Notwithstanding any other provision of the Plan, the terms of Substitute Awards may vary from the terms set forth in the Plan to the extent the Committee deems appropriate to conform, in whole or in part, to the provisions of the awards in substitution for which they are granted.

**12.5 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 or any policy adopted by the Company, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation stock exchange listing requirement or policy. Without limiting the generality of the foregoing, 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 Committee 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 Exchange Rules, including 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 Committee, and to cause any and all Permitted Transferees of the Participant to cooperate fully with the Committee, to effectuate any forfeiture or disgorgement required hereunder. Neither the Committee 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 12.5.

**12.6 Securities Law Compliance.**

- (a) 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 Award, 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 Exchange Rules 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.
- (b) 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 the Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

**12.7 Nature of Payments.** All Awards made pursuant to the Plan are in consideration of services performed or to be performed for the Company or any Affiliate, division or business unit of the Company or an Affiliate. Any income or gain realized pursuant to Awards under the Plan constitutes a special incentive payment to the Participant and shall not be taken into account, to the extent permissible under applicable law, as compensation for purposes of any of the employee benefit plans of the Company or any Affiliate except as may be determined by the Committee or by the Board or board of directors of the applicable Affiliate (or as may be required by the terms of such plan).

**12.8 Listing of Shares.** So long as the Shares are listed on the Exchange, the Company must apply to the Exchange 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 the Exchange.

**12.9 Other Plans.** Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

**12.10 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.

**12.11 Governing Law.** 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.

**12.12 Effective Date of Plan; Termination of Plan.** The Plan shall be effective on the date of the approval of the Plan by the holders of the shares entitled to vote at a duly constituted meeting of the shareholders of the Company. The Plan shall be null and void and of no effect if the foregoing condition is not fulfilled and in such event each Award shall, notwithstanding any of the preceding provisions of the Plan, be null and void and of no effect. Awards may be granted under the Plan at any time and from time to time until the Plan is terminated by the Board, on which date the Plan will expire except as to Awards then outstanding under the Plan. Such outstanding Awards shall remain in effect until they have been exercised or terminated, or have expired.

**12.13 No Restriction on Corporate Actions.** 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, arrangement, combination, merger or consolidation involving the Company or to create, issue, redeem or repurchase 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.

**12.14 Foreign Employees and Consultants.** Awards may be granted to Participants who are foreign nationals or employed or providing services outside Canada, or both, on such terms and conditions different from those applicable to Awards to Employees or Consultants providing services in Canada as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligation with respect to tax equalization for Employees or Consultants on assignments outside their home country.

**12.15 No Obligation to Notify or Minimize Taxes; No Liability for Taxes.** The Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising any Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its officers, Directors, Employees, Affiliates, agents or advisors related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and

other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so.

**12.16 No Registration Rights; No Right to Settle in Cash.** The Company has no obligation to register with any governmental body or organization (including, without limitation, the SEC) any of (a) the offer or issuance of any Award, (b) any Shares issuable upon the exercise of any Award, or (c) the sale of any Shares issued upon exercise of any Award, regardless of whether the Company in fact undertakes to register any of the foregoing. In particular, in the event that any of (x) any offer or issuance of any Award, (y) any Shares issuable upon exercise of any Award, or (z) the sale of any Shares issued upon exercise of any Award are not registered with any governmental body or organization (including, without limitation, the SEC), the Company will not under any circumstance be required to settle its obligations, if any, under this Plan in cash.

**12.17 Participant Information.** Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties including the Exchange, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

**12.18 Indemnity.** To the extent allowable pursuant to applicable law, each member of the Committee or of the Board and any person to whom the Committee has delegated any of its authority under the Plan shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided, that in relation to the subject matter of the proceeding the indemnitee acted honestly and in good faith with a view to the best interests of the Company or the Affiliate, as applicable, and in the case of a proceeding other than a civil proceeding, the indemnitee had reasonable grounds for believing that his conduct in respect of which the proceeding was brought was lawful and, further provided, he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to applicable law or the Company's Articles, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

**12.19 Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Committee, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Committee or Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of Shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

**12.20 Headings.** The headings in the Plan are for convenience of reference only, and are not intended to narrow, limit or affect the substance or interpretation of the provisions contained herein.