

# BLACKWOLF COPPER AND GOLD LTD

## INFORMATION CIRCULAR FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON TUESDAY JUNE 28, 2022

This information is given as of May 26, 2022 unless otherwise noted. All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

### PART 1: VOTING PARTICULARS

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#### SOLICITATION OF PROXIES

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of **Blackwolf Copper and Gold Ltd.** (the “**Company**”) for use at the Annual General Meeting (the “**Meeting**”) of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

**If any person wishes to attend the Meeting in person, please contact Susan Neale, CFO at 604-343-2997 or [sn@bwcg.ca](mailto:sn@bwcg.ca) in order for arrangements to be made that comply with all recommendations, regulations and orders, related to the COVID-19 pandemic. No shareholder or person who is experiencing any symptom of COVID-19, including fever, cough or difficulty breathing will be permitted to attend the Meeting in person.** If the Company decides to make any change, such as to the date or location, or to hold the Meeting solely by remote communication, the Company will announce the change in advance and post details, including instructions on how shareholders can participate, on SEDAR. At this time, the Company does not plan to provide a fully virtual or remote meeting due to cost, administrative and technical requirements. However, to listen to the Meeting, you can dial in by telephone conference call, although dialing in shall not constitute attendance and does not entitle you to vote. The conference call in numbers are as follows:

#### Details of the Telephone Conference:

Dial toll free from Canada and the USA*:	<b>(800) 319-8560</b>
Alternatively, dial this Canadian local number*:	<b>(604) 638-5353</b>
Participation Code:	<b>319928#.</b>

\*Additional toll free and local access numbers can be found online at:  
<http://services.choruscall.ca/links/ondemandpasscode.html>

Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held.

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

## PERSONS OR COMPANIES MAKING THE SOLICITATION

**The enclosed Instrument of Proxy is solicited by Management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Instrument of Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

## APPOINTMENT OF PROXYHOLDER

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the proxyholder for the shareholder of the Company ("**Shareholder**" or "**Registered Shareholder**"). The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the Company (the "**Management Proxyholders**").

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

## VOTING BY PROXY

Shares of the Company (the "**Shares**") represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and if the Registered Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If no choice is specified and one of the Management Proxyholders is appointed by a Registered Shareholder as proxyholder, such person will vote in favour of each matter identified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting, including for the nominees of management for directors and auditor. If a choice is specified, the Shares will be voted accordingly.**

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

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NOTICE-AND-ACCESS

The Company is not sending this Information Circular to registered or beneficial shareholders using “notice-and-access” as defined under NI 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”) of the Canadian Securities Administrators.

## NON-REGISTERED HOLDERS

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold shares in their own name. Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.** More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBO**’s”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBO**’s”.

In accordance with the requirements of NI 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Information Circular and the proxy (collectively, the “**Meeting Materials**”) directly to the **NOBO**’s. The security holder materials are being sent to both registered and non-registered owners who have not objected to the Intermediary through which their Shares are held disclosing ownership information about themselves to the Company. If you are a **NOBO**, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If you are a Beneficial Shareholder, who has objected to the Intermediary through which your Shares are held disclosing ownership information about you to the Company, the Company does intend to pay for an Intermediary to deliver the Meeting Materials.

Meeting Materials sent to Non-Registered Holders, who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “**VIF**”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF’s, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder's name in the blank space provided. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

## **REVOCABILITY OF PROXY**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for the Company or their respective Intermediary, as the case may be, to revoke the proxy on their behalf.**

## **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein to appoint the directors of the Company, the auditors of the Company and the Amended Share Incentive Plan. 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.

## **PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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### **Record Date**

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares with no par value. On May 26, 2022, the record date for the Meeting (the "**Record Date**"), 33,148,678 common shares without par value were issued and outstanding, each common share carrying the right to one vote. There were no preferred shares issued and outstanding as of the Record Date. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he or she is the holder.

### **Voting Securities**

Only shareholders of record on the close of business on May 26, 2022, who either personally attend the Meeting or who complete and deliver an Instrument of Proxy in the manner and subject to the provisions set out under the headings "Appointment of Proxyholder", "Voting by Proxy" and "Completion and Return of Party" will be entitled to vote at the Meeting or any adjournment thereof.

### **Principal Holders**

To the knowledge of the directors and executive officer of the Company, no one shareholder beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company as at the Record Date.

## **Advance Notice Policy**

The Company has adopted a policy that contains a requirement for providing advance notice of nominations of directors (the “**Advance Notice Policy**”) in certain circumstances where nominations for election to the board of directors of the Company (the “Board”) are made by Shareholders. For an annual meeting of Shareholders, notice must be provided not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10<sup>th</sup> day following such public announcement.

## **PART 3 – THE BUSINESS OF THE MEETING**

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### **1. NUMBER AND ELECTION OF DIRECTORS**

The directors are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed.

Shareholder approval will be sought to fix the number of directors of the Company at five.

Management proposes to nominate each of the five persons listed below for election as directors. The information concerning such persons as set out below, is furnished by the individual nominees.

Information pertaining to the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of Shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the Record Date for the Meeting is set out below:

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation <sup>(1)</sup>	Number & Percentage of Shares Owned (Basic)
Robert McLeod <sup>(2)</sup> British Columbia, Canada <i>CEO, President &amp; Director</i>	Jun. 16, 2020	Professional geologist, March 2003 to present; Former President and Chief Executive Officer of IDM Mining Ltd. (TSXV - IDM) from Sep. 2013 to Mar 2019.	1,962,597 5.92%
Jessica Van Den Akker <sup>(3)</sup> British Columbia, Canada <i>Director</i>	Aug. 12, 2020	CPA, CFO Global Digital Asset Trading Limited, November 2020 to present. Former CFO, KORE Mining Ltd, February 2019 to May 2022, Former CFO Karus Gold Corp, January 2021 to May 2022; Former CFO and Vice President of Corporate Finance at Fiore Management & Advisory Corp. (a private financial advisory firm) from Jan 2017 to Jan 2020.	329,694 0.99%
Donald J. Birak <sup>(4)</sup> Idaho, United States <i>Director</i>	Aug. 12, 2020	Consulting geologist, Independent director Revival Gold Inc (2015 to present). Former independent director of Dolly Varden Silver Corp (2015 to February 2022), Former Senior VP of Coeur Mining Inc., Former VP of AngloGold North America.	-
Julia Gartley <sup>(5)</sup> British Columbia, Canada <i>Director</i>	Nominee	Professional Mineral Processing Engineer and MBA. Director of BBA Inc (a private engineering consulting firm) from April 2021 to present and Team Lead at BBA Inc from August 2019 to present. Former Independent Consultant from February 2017 to August 2019.	-
Matthew Moore <sup>(6)</sup> British Columbia, Canada <i>Director</i>	Nominee	Professional Realtor from 2010 to present. Citizen of the Nisga'a Nation and holds a Bachelor of Arts Degree in Economics with a background in Community and Economic Development. Previously spent many years working with the Nisga'a Tribal Council on the Nisga'a Treaty and also with the First Nations Economic Development Corporations, including a construction company that did residential construction.	-

- (1) Includes occupation for the preceding five years unless the director was elected in the previous annual meeting and was shown as a nominee for election as a director in the information circular for that meeting.
- (2) Member of the Environmental, Health, Safety and Technical Committee
- (3) Appointed as a member of the Audit Committee and Compensation Committee on August 20, 2020. Proposed member of the Governance and Nominating Committee.
- (4) Appointed as a member of the Compensation Committee and Environmental, Health, Safety and Technical Committee on August 20, 2020. Proposed member of the Audit Committee
- (5) Management proposed nominee and a proposed member of the Audit Committee, Governance and Nomination Committee, and the Environmental, Health, Safety and Technical Committee
- (6) Management proposed nominee and a proposed member of the Governance and Nomination Committee, Compensation Committee and the Environmental, Health, Safety and Technical Committee

***Unless such authority is withheld, the persons named in the form of proxy accompanying this Information Circular intend to vote for the election of the foregoing individuals as directors until the close of the next following annual general meeting of the Shareholders or until their successors are elected.***

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, and each director and executive officer of the Company acts solely in his or her own capacity.

*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

To the knowledge of the Company, no director or executive officer of the Company, or a personal holding company of such person is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company that:

- (a) was subject to a cease trade or similar order 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, that was issued while the director or executive officer was acting in the capacity as a director, CEO or CFO of such company; or
- (b) was subject to a cease trade or similar order 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, that was issued after the director or executive officer ceased to be a director, CEO or CFO, but which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, CEO or CFO of such company.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities to affect materially the control of the Company, or a personal holding company of such person:

- (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 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
- (b) 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 director or executive officer;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## *Conflicts of Interest*

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia) and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

To the best of the Company's knowledge, and other than as disclosed above and elsewhere in this Information Circular, there are no known existing or potential conflicts of interest among the Company, its subsidiaries, directors and officers or other members of management of the Company or its subsidiaries as a result of their outside business interests.

## **2. REMUNERATION AND APPOINTMENT OF AUDITOR**

DeVisser Gray LLP ("**DeVisser Gray**"), Chartered Professional Accountants, of Vancouver, British Columbia are the auditors for the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of DeVisser Gray as the auditor to hold office for the ensuing year at a remuneration, and on terms of engagement, to be fixed by the directors.

DeVisser Gray were first appointed as auditor on January 12, 2010.

## **3. APPROVAL OF THE AMENDED OMNIBUS SHARE INCENTIVE PLAN**

The Company's existing share incentive plan was last approved by shareholders on November 18, 2021. The Board approved an amended share incentive plan (the "**Amended Share Incentive Plan**") on May 26, 2022. The Amended Share Incentive Plan has been updated to ensure compliance with the new TSX Venture Exchange (the "**Exchange**") Policy 4.4. The Exchange has conditionally approved the Amended Share Incentive Plan subject to shareholder approval at the Meeting. The Company is seeking approval of the Amended Share Incentive Plan from shareholders.

The Amended Share Incentive Plan provides for the grant of options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**" and together with the RSUs, "**Share Units**") and deferred share units ("**DSUs**" and together with the Options and Share Units, "**Awards**").



The Amended Share Incentive Plan includes a "rolling" stock option plan component that sets the maximum number of common shares reserved for issuance, in the aggregate, pursuant to the exercise of Options granted thereunder, together with the number of common shares reserved for issuance pursuant to the settlement of Share Units and DSUs granted under the Amended Share Incentive Plan and the number of common shares reserved for issuance pursuant to any other security based compensation arrangement of the Company, at 10% of the number of common shares issued and outstanding on a non-diluted basis from time to time. The Amended Share Incentive Plan provides that no more than 750,000 common shares, in aggregate, may be reserved for issuance at any given time pursuant to the settlement of Share Units and DSUs granted under the Share Incentive Plan. For clarity, the maximum number of common shares reserved for issuance under the Amended Share Incentive Plan may be comprised either entirely of common shares reserved for issuance pursuant to the exercise of Options, or a combination of common shares reserved for issuance pursuant to the exercise of Options and the settlement of Share Units and DSUs, provided that the number of such shares settling Share Units and DSUs does not exceed 750,000 common shares.

#### *Summary of the Amended Share Incentive Plan*

The following is a summary of the key provisions of the Amended Share Incentive Plan. The following summary is qualified in all respects by the full text of the Amended Share Incentive Plan. All terms used but not defined in this section have the meaning ascribed thereto in the Amended Share Incentive Plan a copy of which is attached hereto as Schedule A.

#### *Purpose*

The purpose of the Amended Share Incentive Plan is:

- (a) to increase the interest in the Company's welfare of those employees, officers, directors and consultants (who are considered "**Eligible Participants**" under the Amended Share Incentive Plan) who share responsibility for the management, growth and protection of the business of the Company or a subsidiary of the Company;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a subsidiary of the Company and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a subsidiary of the Company are necessary or essential to its success, image, reputation or activities;
- (c) to reward Eligible Participants for their performance of services while working for the Company or a subsidiary of the Company; and
- (d) to provide a means through which the Company or a subsidiary of the Company may attract and retain able persons to enter its employment or service.

#### *Plan Administration*

The Amended Share Incentive Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. Subject to the terms of the Amended Share Incentive Plan, applicable law and the rules of the TSX Venture Exchange, the Board (or its delegate) will have the power and authority to: (i) designate the Eligible Participants who will receive Awards (an Eligible Participant who receives an Award, a "**Participant**"), (ii) designate the types and amount of Awards to be granted to each Participant, (iii) determine the terms and conditions of any Award, including any vesting conditions or conditions based on performance of the Company or of an individual ("**Performance Criteria**"); (iv) interpret and administer the Amended Share Incentive Plan and any instrument or agreement relating to it, or any Award made under it; and (v) make such amendments to the Amended Share Incentive Plan and Awards as are permitted by the Amended Share Incentive Plan and the policies of the TSX Venture Exchange.

### *Shares Available for Awards*

Subject to adjustment as provided for under the Amended Share Incentive Plan, and as may be approved by the TSX Venture Exchange and the shareholders of the Company from time to time, the maximum number of common shares reserved for issuance, in the aggregate, pursuant to the exercise of Options granted under the Amended Share Incentive Plan shall be equal to 10% of the issued and outstanding common shares of the Company on a non-diluted basis from time to time, less the actual number of common shares reserved for issuance at any given time pursuant to the settlement of Share Units and DSUs granted under the Amended Share Incentive Plan and the number of common shares reserved for issuance pursuant to any other Share Compensation Arrangement of the Company, if any. The maximum number of common shares reserved for issuance, in the aggregate, pursuant to the settlement of Share Units and DSUs granted under the Amended Share Incentive Plan shall not exceed at any given time 750,000 common shares of the Company.

The Amended Share Incentive Plan sets out the calculation of the number of common shares reserved for issuance based on whether the common shares are reserved for issuance pursuant to the grant of an Option, Share Unit or DSU.

### *Participation Limits*

The Amended Share Incentive Plan provides the following limitations on grants:

- (a) In no event shall the Amended Share Incentive Plan, together with all other previously established and outstanding Share Compensation Arrangements of the Company, permit at any time:
  - (i) the aggregate number of common shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding common shares of the Company on a non-diluted basis; or
  - (ii) the grant to Insiders (as a group), within any 12 month period, of an aggregate number of Awards exceeding 10% of the issued and outstanding common shares on a non-diluted basis of the Company, calculated at the date an Award is granted to any Insider,  
  
unless the Company has obtained the requisite disinterested shareholder approval.
- (b) The aggregate number of Awards granted to any one person (and companies wholly-owned by that person) in any 12 month period shall not exceed 5% of the issued and outstanding common shares on a non-diluted basis of the Company, calculated on the date an Award is granted to the person, unless the Company has obtained the requisite disinterested shareholder approval.
- (c) The aggregate number of Awards granted to any one Consultant in any 12 month period shall not exceed 2% of the issued and outstanding common shares on a non-diluted basis of the Company, calculated at the date an Award is granted to the Consultant.
- (d) The aggregate number of Options granted to all Investor Relations Service Providers shall not exceed 2% of the issued and outstanding common shares on a non-diluted basis of the Company in any 12 month period, calculated at the date an Option is granted to any such person.

### *Eligible Participants*

In respect of a grant of Options, an Eligible Participant is any director, executive officer, employee, Management Company Employee or Consultant of the Company or any of its subsidiaries. In respect of a grant of Share Units, an Eligible Participant is any director, executive officer, employee, Management Company Employee or Consultant of the Company or any of its subsidiaries other than an Investor Relations Service Provider. In respect of a grant of DSUs, an Eligible Participant is any non-employee director of the Company or any of its subsidiaries other than an Investor Relations Service Provider.

### *Description of Awards*

#### *Options*

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of common shares from treasury at a specified exercise price (the "**Option Price**"). Options are exercisable over a period established by the Board from time to time and reflected in the Participant's Option Agreement, which period shall not exceed 10 years from the date of grant. Notwithstanding the expiration provisions set forth in the Amended Share Incentive Plan, if the date on which an Option expires falls within a Blackout Period (as defined in the Amended Share Incentive Plan), the expiration date of the Option will be the date that is ten (10) Business Days after the Blackout Period Expiry Date. The Option Price shall not be set at less than the Market Value of a Share (as defined in the Amended Share Incentive Plan) as of the date of the grant, less any discount permitted by the TSX Venture Exchange.

The grant of an Option by the Board shall be evidenced by an Option Agreement in such form not inconsistent with the Amended Share Incentive Plan. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include performance criteria related to corporate or individual performance. Notwithstanding the foregoing, Options granted to Investor Relation Service Providers must vest in stages over a period of not less than 12 months with no more than one-quarter (1/4) of the Options vesting in any three month period.

No acceleration of the vesting provisions of Options granted to Investor Relation Service Providers is allowed without the prior acceptance of the TSX Venture Exchange.

#### *Share Units*

A Share Unit is an Award that is a bonus for services rendered in the year of grant that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the sole discretion of the Board, a common share. The right of a holder to have their Share Units redeemed is subject to such restrictions and conditions on vesting as the Board may determine at the time of grant. Restrictions and conditions on vesting conditions, may without limitation, be based on the passage of time during continued employment or other service relationship (commonly referred to as an RSU), the achievement of specified Performance Criteria (commonly referred to as a PSU) or both. Share Units must be subject to a minimum 12 month vesting period following the date the Share Unit is granted or issued, subject to acceleration of vesting in certain cases in accordance with the terms of the Amended Share Incentive Plan and Exchange Policy 4.4. The grant of a Share Unit by the Board shall be evidenced by a Share Unit Agreement in such form not inconsistent with the Amended Share Incentive Plan.

The Board shall have sole discretion to determine if any vesting conditions with respect to a Share Unit, including any Performance Criteria, or other vesting conditions with respect to a Share Unit, as contained in the Share Unit Agreement, have been met and shall communicate to a Participant as soon as reasonably practicable the date on which all such applicable vesting conditions or Performance Criteria have been satisfied and the Share Units have vested. Subject to the vesting and other conditions and provisions in the Amended Share Incentive Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one common

share or any combination of cash and common shares as the Board in its sole discretion may determine, in each case less any applicable withholding taxes. The Company (or the applicable subsidiary) may, in its sole discretion, elect to settle all or any portion of the cash payment obligation by the delivery of common shares issued from treasury or acquired by a Designated Broker in the open market on behalf of the Participant. Subject to the terms and conditions in the Amended Share Incentive Plan, vested Share Units shall be redeemed by the Company (or the applicable subsidiary) as described above on the earlier of the expiry date of the Share Units or the 15<sup>th</sup> day following the vesting date.

Unless otherwise accepted by the TSXV, any acceleration of the vesting provisions of any Award (other than an Option) to a date that is less than one year from the date of grant or issuance must only be done in connection with the death of an Eligible Participant or in connection with an Eligible Participant ceasing to be an Eligible Participant under the Plan as a result of a Change of Control, take-over bid, reverse takeover or other similar transaction as required by TSXV Policy 4.4.

Notwithstanding the foregoing, if the date on which any Share Units would otherwise vest falls within a Blackout Period, the vesting date of such Share Units will be deemed to be the date that is the earlier of ten (10) Business Days after the Blackout Period Expiry Date and the Share Unit expiry date.

#### *Deferred Share Units*

A DSU is an Award for services rendered, or for future services to be rendered, and that, upon settlement, entitles the recipient Participant to receive cash or acquire common shares, as determined by the Company in its sole discretion. DSUs must be subject to a minimum 12 month vesting period following the date the DSU is granted or issued, subject to acceleration of vesting in certain cases in accordance with the terms of the Amended Share Incentive Plan. The grant of a DSU by the Board shall be evidenced by a DSU Agreement in such form not inconsistent with the Amended Share Incentive Plan.

A Participant is only entitled to redemption of a DSU when the Participant ceases to be a director of the Company for any reason, including termination, retirement or death. The Board does not have the right to alter the vesting conditions of DSUs, which conditions will immediately vest for those DSUs that were granted or issued for at least 12 months prior to termination of employment or for those DSUs that otherwise had their vesting accelerated in accordance with the terms of the Amended Share Incentive Plan and Exchange Policy 4.4.

Subject to the vesting and other conditions and provisions in the Amended Share Incentive Plan and in any DSU Agreement, each DSU awarded to a Participant shall entitle the Participant to receive on settlement a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one common share or any combination of cash and common shares as the Company in its sole discretion may determine.

DSUs shall be redeemed and settled by the Company as soon as reasonably practicable following the Participant's termination date, but in any event not later than, and any payment (either in cash or in Common Shares) in respect of the settlement of such DSUs shall be made no later than, December 15<sup>th</sup> of the first calendar year commencing immediately after the Participant's termination date. The Company will have, at its sole discretion, the ability to elect to settle all or any portion of the cash payment obligation by the delivery of Common Shares issued from treasury or acquired by a Designated Broker in the open market on behalf of the Participant.

### *Effect of Termination on Awards*

Except as otherwise provided in any Employment Agreement or Consulting Agreement or in any Award Agreement, Awards are subject to the following conditions:

- (a) *Resignation*: Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Company or a subsidiary (other than by reason of retirement):
  - (i) each unvested Option granted to such Participant shall terminate and become void immediately upon such resignation;
  - (ii) each vested Option held by such Participant shall cease to be exercisable on the earlier of (A) ninety (90) days after the Participant's termination date (or such later date as the Board may, in its sole discretion, determine) and (B) the expiry date of such Option as set forth in the applicable Option Agreement, after which such vested Option will expire; and
  - (iii) the Participant's participation in the Amended Share Incentive Plan shall be terminated immediately, and all Share Units credited to such Participant's account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested Share Units shall be forfeited and cancelled on the termination date.
- (b) *Termination for Cause*: Upon a Participant ceasing to be an Eligible Participant for Cause (as determined by the Company, which determination shall be binding on the Participant for purposes of the Amended Share Incentive Plan):
  - (i) any vested or unvested Options granted to such Participant shall terminate automatically and become void immediately; and
  - (ii) the Participant's participation in the Amended Share Incentive Plan shall be terminated immediately, and all Share Units credited to such Participant's account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested Share Units shall be forfeited and cancelled on the termination date.
- (c) *Termination not for Cause*: Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Company or a subsidiary being terminated without Cause:
  - (i) each unvested Option granted to such Participant shall terminate and become void immediately;
  - (ii) each vested Option held by such Participant shall cease to be exercisable on the earlier of (A) ninety (90) days after the Participant's termination date (or such later date as the Board may, in its sole discretion, determine) and (B) the expiry date of such Option as set forth in the applicable Option Agreement, after which such vested Option will expire; and
  - (iii) all unvested Share Units in the Participant's account as of such date relating to a Restriction Period in progress shall be forfeited and cancelled (unless the Board, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of such unvested Share Units).

- (d) *Termination Due to Retirement or Permanent Disability:* Upon a Participant ceasing to be an Eligible Participant by reason of retirement or permanent disability:
- (i) each unvested Option granted to such Participant shall terminate and become void immediately;
  - (ii) each vested Option held by such Participant shall cease to be exercisable on the earlier of (A) ninety (90) days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or any subsidiary by reason of permanent disability (or such later date as the Board may, in its sole discretion, determine) and (B) the expiry date of such Option as set forth in the applicable Option Agreement, after which such vested Option will expire; and
  - (iii) all unvested Share Units in the Participant's account as of such date relating to a Restriction Period in progress shall be forfeited and cancelled (unless the Board, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of such unvested Share Units).
- (e) *Termination Due to Death:* Upon a Participant ceasing to be an Eligible Participant by reason of death:
- (i) each unvested Option granted to such Participant shall terminate and become void immediately;
  - (ii) each vested Option held by such Participant at the time of death may be exercised by the legal representative of the Participant, provided that any such vested Option shall cease to be exercisable on the earlier of (A) the date that is twelve (12) months after the Participant's death and (B) the expiry date of such Option as set forth in the applicable Option Agreement, after which such vested Option will expire; and
  - (iii) all unvested Share Units in the Participant's account as of such date relating to a Restriction Period in progress shall be forfeited and cancelled (unless the Board, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of such unvested Share Units).
- (f) *Termination in Connection with a Change of Control:* Subject to the prior approval of the TSX with respect to Options held by Investor Relations Service Providers, if the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control, a Participant who was also an officer or employee of, or a Consultant to, the Company prior to the Change of Control has their employment agreement or consulting agreement terminated:
- (i) all unvested Options granted to such Participant shall immediately vest and become exercisable, and remain open for exercise until the earlier of (A) their expiry date as set out in the applicable Option Agreement and (B) the date that is ninety (90) days after such termination or dismissal; and
  - (ii) all unvested Share Units shall become vested, and the date of such Participant's termination date shall be deemed to be the vesting date.

### *Change of Control*

Subject to prior approval of the TSXV with respect to Options held by Investor Relations Service Providers, in the event of a Change of Control, the Board will have the power, in its sole discretion, to accelerate the vesting of Options to assist the Participants to tender into a take-over bid or participate in any other transaction leading to a Change of Control. For greater certainty, subject to the prior approval of the TSXV with respect to Options held by Investor Relations Service Providers, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to (a) provide that any or all Options shall thereupon terminate, provided that any such outstanding Options that have vested shall remain exercisable until consummation of such Change of Control, and (b) permit Participants to conditionally exercise their vested Options immediately prior to the consummation of the take-over bid and the common shares issuable under such Options to be tendered to such bid, such conditional exercise to be conditional upon the take-up by such offeror of the Common Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control). In the event of a Change of Control, the Board may also exercise its discretion to accelerate the vesting of, or waive the Performance Criteria or other vesting conditions applicable to, outstanding Share Units, and the date of such action shall be the vesting date of such Share Units.

### *Adjustment Provisions*

Subject to the prior approval of the TSXV (other than where an adjustment is a result of a share consolidation or subdivision), the Board shall in its sole discretion determine the appropriate adjustments or substitutions to be made to, among other things, the exercise price of an Award, the number of Shares underlying an Award, the cash payment to which a Participant is entitled under an Award or the number or kind of shares reserved for issuance under the Amended Share Incentive Plan, in certain circumstances involving a consolidation of Shares, subdivision of Shares, reorganization affecting Shares, distribution of Shares, merger or amalgamation involving Shares or other events affecting Shares as set out in the Amended Share Incentive Plan, in order to maintain the economic rights of the Participant in respect of such Award in connection with such event.

### *Assignment*

Except as set forth in the Amended Share Incentive Plan, each Award granted under the Amended Share Incentive 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 descent and distribution.

### *Amendment or Discontinuance*

The Board may amend the Amended Share Incentive Plan or any Award at any time without the consent of the Participants, provided that such amendment shall not adversely alter or impair the rights of any Participant without the consent of such Participant (except as permitted by the provisions of the Amended Share Incentive Plan), is in compliance with applicable law, and subject to any regulatory approvals including, where required, the approval of the TSX Venture Exchange (or any other stock exchange on which the common shares are listed) and is subject to shareholder approval to the extent such approval is required by applicable law or the requirements of the TSX Venture Exchange (or any other stock exchange on which the common shares are listed), provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Company, make the following amendments:

- (a) other than amendments to the exercise price and the expiry date of any Award, any amendment, with the consent of the Participant, to the terms of an Award previously granted to such Participant under the Amended Share Incentive Plan;
- (b) any amendment necessary to comply with applicable law (including taxation laws) or the requirements of the TSX Venture Exchange (or any other stock exchange on which the common shares are listed) or any other regulatory body to which the Company is subject;

- (c) any amendment of a “housekeeping” nature, including, without limitation, amending the wording of any provision of the Amended Share Incentive Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Amended Share Incentive Plan that is inconsistent with any other provision of the Amended Share Incentive Plan, correcting grammatical or typographical errors and amending the definitions contained within the Amended Share Incentive Plan; or
- (d) any amendment regarding the administration of the Amended Share Incentive Plan.

Notwithstanding the foregoing, the Board shall be required to obtain TSX Venture Exchange and shareholder approval, including, if required by the applicable stock exchange, disinterested shareholder approval, to make the following amendments:

- (a) any amendment to the maximum percentage or number of common shares that may be reserved for issuance pursuant to the exercise or settlement of Awards granted under the Amended Share Incentive Plan, including an increase to the fixed maximum percentage of common shares or a change from a fixed maximum percentage of common shares to a fixed maximum number of Common Shares or vice versa, except in the event of a permitted adjustment arising from a reorganization of the Company's share capital or certain other transactions;
- (b) any amendment which reduces the exercise price of any Award, as applicable, after such Award has been granted or any cancellation of an Award and the replacement of such Award with an Award with a lower exercise price or other entitlements, except in the event of a permitted adjustment arising from a reorganization of the Company's share capital or certain other transactions; provided, however, that, for greater certainty, disinterested shareholder approval will be required for any amendment which reduces the exercise price of any Option if the Participant is an Insider of the Company at the time of the proposed amendment;
- (c) any amendment which extends the expiry date of any Award, or the Restriction Period of any Share Unit beyond the original expiry date or Restriction Period, except in the event of an extension due to a Blackout Period;
- (d) any amendment which would permit Awards granted under the Amended Share Incentive Plan to be transferable or assignable other than for normal estate settlement purposes;
- (e) any amendment to the definition of an Eligible Participant under the Amended Share Incentive Plan;
- (f) any amendment to the participation limits set out in the Amended Share Incentive Plan; or
- (g) any amendment to the amendment provisions of the Amended Share Incentive Plan.

The Board may, subject to regulatory approval, discontinue the Amended Share Incentive Plan at any time without the consent of the Participants, provided that any such discontinuance does not materially and adversely affect any Awards previously granted to a Participant under the Amended Share Incentive Plan.



### *Approval of the Amended Share Incentive Plan*

At the Meeting, the shareholders of the Company will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the "**Amended Share Incentive Plan Resolution**") approve the Amended Share Incentive Plan as described below.

The directors of the Company unanimously recommend that shareholders vote in favour of the Amended Share Incentive Plan Resolution. **The persons named in the form of proxy accompanying this Information Circular intend to vote FOR the Amended Share Incentive Plan Resolution, unless the shareholder of the Company who has given such proxy has directed that the Common Shares represented by such proxy be voted against the Amended Share Incentive Plan Resolution.**

#### **"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF SHAREHOLDERS THAT:**

1. The Company's amended omnibus share incentive plan (the "Amended Share Incentive Plan") as described in the Company's Information Circular dated May 26, 2022 be and it is hereby approved, subject to the acceptance for filing thereof by the TSX Venture Exchange and the grant of Awards (as defined in the amended omnibus share incentive plan) thereunder in accordance therewith, be approved;
2. the maximum number of common shares reserved for issuance, in the aggregate, pursuant to the exercise of Awards granted under the Amended Share Incentive Plan shall be equal to 10% of the issued and outstanding common shares of the Company provided that the number of common shares of the Company reserved for issuance, in the aggregate, pursuant to the settlement of Share Units and DSUs granted under the Amended Share Incentive Plan shall not exceed at any given time 750,000 common shares of the Company;
3. the Board of the Company be authorized to make any changes to the Amended Share Incentive Plan as may be required or permitted by the TSX Venture Exchange; and
4. any one officer or any one director of the Company be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such agreements, instruments, certificates, undertakings and other documents, and to do or to cause to be done all such other acts and things, as any one of them shall consider necessary or desirable to give effect to the intent of this resolution."

## **PART 4 – DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

In this section, “Named Executive Officer” means (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) each of the Company’s three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, whose total salary and bonus during the financial year ended October 31, 2021 exceeded \$150,000. The Company had three named executive officers (each, a “Named Executive Officer” or “NEO”) during the financial year ended October 31, 2021, namely: Robert McLeod, CEO, President and a Director; Susan Neale, CFO and Marilyne Lacasse, former VP Exploration.

### **SUMMARY OF COMPENSATION TABLE (EXCLUDING COMPENSATION SECURITIES)**

Name and principal position	Fiscal Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of Other Compensation (\$)	Total Compensation (\$)
Rob McLeod <sup>(1)</sup>	2021	280,833	15,000	–	–	–	295,833
	2020	100,000	60,000	–	–	–	160,000
Susan Neale <sup>(2)</sup> CFO	2021	152,033	5,000	–	–	–	157,033
	2020	50,000	30,000	–	–	–	80,000
Marilyne Lacasse <sup>(3)</sup> Former VP Exploration	2021	210,433	–	–	–	–	210,433
	2020	NA	NA	NA	–	NA	NA
Edie Thome <sup>(4)(5)</sup> Lead Director	2021	42,000	–	–	–	–	42,000
	2020	8,750	–	–	–	–	8,750
Jessica van Den Akker <sup>(4)</sup>	2021	36,000	–	–	–	–	36,000
	2020	7,000	–	–	–	–	7,000
Don Birak <sup>(4)</sup>	2021	36,000	–	–	–	–	36,000
	2020	7,500	–	–	–	–	7,500
Ronald Stewart <sup>(4)(5)</sup>	2021	24,000	–	–	–	–	24,000
	2020	5,000	–	–	–	–	5,000

Notes:

1. Mr. McLeod was appointed CEO and President on June 16, 2020. Compensation was paid to Linus Geological Ltd., a private company controlled by Mr. McLeod up till March 31, 2021, thereafter he transitioned to an employee.
2. Ms. Neale was appointed CFO on August 20, 2020.
3. Ms. Lacasse was appointed VP Exploration on April 1, 2021. Prior to April 1, 2021 Ms. Lacasse provided geological consulting to the Company. Ms. Lacasse stepped down as VP Exploration on February 1, 2022.
4. Have served as a Director of the Company since August 12, 2020.
5. Ms. Thome and Mr. Stewart are not standing for re-election at the upcoming Meeting.

## INCENTIVE PLAN AWARDS

### Outstanding Compensation Awards

The following table sets forth information concerning all compensation awards granted under incentive plans of the Company during the financial year ended October 31, 2021 to each of the Directors and NEOs:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation	Number of Compensation Securities and % of Class	Date of Issue or Grant	Issue, Conversion or exercise price – (\$)	Closing Price of Security on Date of Grant – (\$)	Closing Price of Security at Fiscal Year End <sup>(1)</sup> – (\$)	Expiry Date
Marilyne Lacasse Former VP Exploration	Options	150,000	April 10, 2021	\$1.00	\$0.92	\$0.70	April 10, 2026

Notes:

1. Reflects the closing price of the Company's common shares on the TSX.V as at October 31, 2021
2. As of October 31, 2021, Robert McLeod held a total of 350,000 options representing 19.58% of the options outstanding.
3. As of October 31, 2021, Susan Neale held a total of 170,000 options representing 9.51% of the options outstanding.
4. As of October 31, 2021, Marilyne Lacasse held a total of 170,000 options representing 9.51% of the options outstanding
5. As of October 31, 2021, Jessica Van Den Akker, Don Birak and Ronald Stewart each held a total of 150,000 options each representing 8.39% of the options outstanding
6. As of October 31, 2021, Edie Thome held a total of 200,000 options representing 11.19% of the options outstanding.

### Exercise of Compensation Securities

During the fiscal year ended October 31, 2021, none of the directors or NEOs of the Company exercised any compensation securities.

## EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Other than as set forth below, the Company does not have any agreements or arrangements 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 a the Company.

## Material Terms of NEO Agreements

### Robert McLeod, President and CEO

Mr. McLeod was appointed as President and CEO under a consulting agreement and transitioned to an employment agreement (the “**McLeod Agreement**”) with an effective date of April 1, 2021. Pursuant to the McLeod Agreement, the Company will pay Mr. McLeod a base salary of \$310,000 per annum for his services as President and CEO of the Company, evaluated on an annual basis and subject to adjustments at the sole discretion of the Board. The Company shall also provide bonus opportunities to earn up to 50% of base salary if all bonus targets are met and potential to earn a higher amount if he materially exceeds such targets. The McLeod Agreement further provides for the following payments:

- Following the termination of Mr. McLeod’s employment by the Company without cause, the Company will be required to pay him on termination 12 month’s base salary, plus any bonus amount earned during the year of termination.
- If there is a change of control of the Company, and within 6 months of such change of control (i) Mr. McLeod is terminated without cause or (ii) triggering event (as defined in the McLeod Agreement such as a significant diminution of his duties or responsibilities) occurs and Mr. McLeod elects to terminate his employment within six months of the triggering event, Mr. McLeod will be entitled to 24 month’s base salary, plus any bonus amount earned during the year of termination.

### Susan Neale, CFO

Ms. Neale was appointed as CFO under a consulting agreement and transitioned to an employment agreement (the “**Neale Agreement**”) with an effective date of April 1, 2021. Pursuant to the Neale Agreement, the Company will pay Ms. Neale a base salary of \$175,000 per annum for her services as CFO of the Company, evaluated on an annual basis and subject to adjustments at the sole discretion of the Board. The Company shall also provide bonus opportunities to earn up to 50% of base salary if all bonus targets are met and potential to earn a higher amount if he materially exceeds such targets. The Neale Agreement further provides for the following payments:

- Following the termination of Ms. Neale’s employment by the Company without cause, the Company will be required to pay her on termination 12 month’s base salary, plus any bonus amount earned during the year of termination.
- If there is a change of control of the Company, and within 6 months of such change of control (i) Ms. Neale is terminated without cause or (ii) triggering event (as defined in the Neale Agreement such as a significant diminution of her duties or responsibilities) occurs and Ms. Neale elects to terminate her employment within six months of the triggering event, Ms. Neale will be entitled to 24 month’s base salary, plus any bonus amount earned during the year of termination.

## Summary of Termination Payments

The below represents the estimated incremental payments that would be payable by the Company to Mr. McLeod and Ms. Neale upon termination without cause or termination on a Change of Control, assuming the bonus was earned and triggering event occurred as of October 31, 2021.

NEO	Termination not for Cause	Termination on a Change of Control
<b>Robert McLeod, CEO and President</b>		
Salary	\$310,000	\$620,000
Bonus	\$155,000	\$155,000
Total	\$465,000	\$775,000
<b>Susan Neale, CFO</b>		
Salary and Benefits	\$175,000	\$350,000
Bonus	\$87,500	\$87,500
Total	\$262,500	\$437,500

## OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICE COMPENSATION

### *Compensation of Directors*

The Company's Governance and Nominating Committee, through discussions with the Compensation Committee 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, and the availability of financial and other resources of the Company.

The Company had adopted a standard set of fees pursuant to which non-executive directors were entitled to \$2,000 per month. The Lead Director and Chair of the Audit Committee were entitled to a further \$1,000 per month and \$750 per month, respectively. Each Chair of the Compensation Committee, Corporate Governance and Nominating Committee and Environmental, Health, Safety and Technical Committee was entitled to a further \$500 per month. Effective April 1, 2022, all fees to non-executive directors ceased. 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 Governance and Nominating Committee will annually review the Board of Directors' performance, and will report and make recommendations accordingly.

### *Compensation of NEOs*

The Compensation 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 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.

It is the intention of the Company's Board of Directors to approve targeted amounts of annual incentives for each NEO at the beginning of each calendar year. The targeted amounts will be determined by the Board of Directors based on a number of factors, including comparable compensation of similar companies. Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board of Director's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board of Directors and the Board of Directors reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

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.

## **DEFINED BENEFIT OR ACTUARIAL PLAN**

The Company does not have a defined benefit or actuarial plan.

**PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

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The following table sets forth information with respect to the Company’s equity compensation plans as of date hereof:

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding Awards</b>	<b>Weighted-average exercise price of outstanding Awards</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Share Incentive Plan approved by security holders	2,812,500 – Options Nil – Share Units or DSU	\$0.86 -Option Nil – Share Units or DSU	Note 1
Equity compensation plans not approved by security holders	Nil	n/a	n/a
<i>Total Awards</i>	2,812,500	\$0.86	502,367

Notes:

1. Maximum number of common shares issuable under equity compensation plans shall not exceed 10% of the issued and outstanding common shares of the Company provided that the number of common shares reserved for issuance, in the aggregate, pursuant to the settlement of Share Units and DSUs granted under the Share Incentive Plan shall not exceed any given time 750,000 common shares.

## PART 7 – AUDIT COMMITTEE

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The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 (“NI 52-110”), which states that venture issuers are exempt from the requirements in Part 3 of NI 52-110 and the reporting obligations in Part 5 of NI 52-110.

### Audit Committee Charter

The Audit Committee has a charter that sets out its mandate and responsibilities and is available for download from the Company’s website: [www.blackwolfcopperandgold.com](http://www.blackwolfcopperandgold.com).

The Audit Committee reviews all financial statements of the Company prior to their publication, oversees audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit Committee Charter has set criteria for membership which all members of the Audit Committee are required to meet consistent with NI 52-110 and other applicable regulatory requirements. The Audit Committee, as needed, meets separately (without management present) with the Company’s auditors to discuss the various aspects of the Company’s financial statements and the independent audit.

### Composition of the Audit Committee

As of the date of this Information Circular and during the financial year ended October 31, 2021, members of the Audit Committee included Jessica Van Den Akker (Chair), Edie Thome and Ronald Stewart. The proposed members of the Audit Committee are Jessica Van Den Akker (Chair), Julia Gartley and Don Birak.

### Relevant Education and Experience

As a result of their education and experience, each proposed member of the Audit Committee has familiarity with, an understanding of, or experience in:

- the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- reviewing 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 Company’s financial statements, and
- internal controls and procedures for financial reporting.

Member	Independent/Not Independent	Financially Literate/Not Financially Literate	Relevant Education and Experience
Jessica Van Den Akker	Independent	Financially Literate	CA, CPA. former CFO for KORE Mining Ltd with extensive accounting and taxation experience.
Julia Gartley	Independent	Financially Literate	Professional Mineral Engineer with an MBA with over 10 years experience in senior level positions and mining industry
Donald Birak	Independent	Financial Literate	Professional Geologist with extensive technical, and board experience with various exploration, development and operating stage mining companies



## Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor other than DeVisser Gray.

The Company's auditor, DeVisser Gray, has not provided any material non-audit services.

## Pre-Approval Policies and Procedures

The Company has procedures for the review and pre-approval of any services performed by its auditors. The procedures require that all proposed engagements of its auditors for audit and non-audit services be submitted to the Audit Committee for approval prior to the beginning of any such services. The Audit Committee considers such requests, and, if acceptable to a majority of the Audit Committee members, preapproves such audit and non-audit services by a resolution authorizing management to engage the Company's auditors for such audit and non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the Audit Committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated by the regulations of the United States Securities and Exchange Commission, and whether the services requested and the fees related to such services could impair the independence of the auditors.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the audit services provided by DeVisser Gray to the Company to ensure auditor independence. Fees incurred with DeVisser Gray for audit and non-audit services in the last two financial years ended October 31, 2021 and 2020 are outlined in the following table.

Nature of Services	Year Ended October 31, 2021	Year Ended October 31, 2020
Audit Fees <sup>1</sup>	\$28,000	\$16,900
Audit-Related Fees <sup>2</sup>	–	–
Tax Fees <sup>3</sup>	–	–
All Other Fees <sup>4</sup>	–	–
Total	\$28,000	\$16,900

Notes:

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

## PART 8 – CORPORATE GOVERNANCE

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TSX.V-listed companies are required to describe, on an annual basis, their practices and policies with regards to corporate governance by way of a corporate governance statement contained in the Company’s annual report or information circular. The disclosure is required to be made pursuant to National Instrument 58-101, *Disclosure of Corporate Governance Practices*, and guidelines contained in National Policy 58-201, *Corporate Governance Guidelines*, against which the Company has reviewed its own corporate governance practices. In certain cases, the Company’s practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

### Board of Directors

In accordance with section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI-52-110**”) a member of the Board is “independent” if he or she has no direct or indirect “material relationship” with the Company. “Material relationship” is defined as a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

### Composition

The proposed Board consists of five directors, the majority of which are independent under NI 52-110. The following table identifies directors who are independent and those directors who are not independent under NI 52-110, along with the basis for determining independent status.

Name	Management	Independent	Reason for Related Status
Robert McLeod	Yes	No	President and CEO
Jessica Van Den Akker	No	Yes	
Donald J. Birak	No	Yes	
Julia Gartley	No	Yes	
Matthew Moore	No	Yes	

The members of the Company’s Board and proposed nominees have diverse backgrounds and expertise, and were selected on the belief that the Company and its stakeholders would benefit materially from such a broad range of talent and experience. As the need for new Directors or executive officers arises, the Board and the Governance and Nomination Committee assess candidates on the basis of knowledge, industry experience, financial literacy, professional ethics and business acumen, among other factors.

## ***Directorships***

As of the date of this Information Circular, the directors and proposed nominees of the Company are currently directors of other reporting issuers (or equivalent) in a jurisdiction, or a foreign jurisdiction as follows:

<b>Director</b>	<b>Reporting Issuer<sup>(1)</sup></b>	<b>Exchange</b>
Robert McLeod	Dolly Varden Silver Corporation	TSX.V
Jessica Van Den Akker	Tristar Gold Inc	TSX.V
	Kenorland Minerals Ltd	TSX.V
	Baltic 1 Acquisition Corp	TSX.V
	JVR Ventures Inc	TSX.V
Donald J. Birak	Revival Gold Inc.	TSX.V
Julia Gartley	NA	NA
Matthew Moore	NA	NA

(1): The above information has been provided by the directors and proposed nominees as of the date of the Information Circular and has not been independently verified by the Company.

## ***Independent Director Meetings***

The independent directors of the Company have not held regularly scheduled meetings at which non-independent directors and members of management are not in attendance; however, at each meeting of the Board, the independent members are afforded the opportunity to meet separately. In order to further facilitate open and candid discussion among its independent directors, and to facilitate the Board's exercise of independent judgment in carrying out its responsibilities, the Board is continuing its policy of encouraging its independent directors to meet at any time they consider necessary, without any members of management or non-independent directors being present.

## ***Chair and Lead Director***

As of the date of this Information Circular, the Board has not appointed a Chair. In August 2020, Ms Thome, as an independent director, was appointed lead director ("**Lead Director**"). Ms. Thome is not standing for re-election and the Board has not appointed a proposed replacement. The Board has adopted a description for the role of Lead Director and Chair. See "Position Descriptions" below.

## ***Attendance***

In the financial year ended October 31, 2021, the Company's Board held six (6) formal board meetings. All other Board decisions were passed by way of consent resolution following informal discussions amongst the directors and management.

## ***Position Descriptions***

The Board has adopted a written position for each of the Chair of the Board, Lead Director, a Chair of Board Committee and the CEO.

- Chair and Lead Director

The Board has established a written position description for each of the Chair and the Lead Director of the Board, who are responsible for, among other things, presiding at meetings of the Board and shareholders, providing leadership to the Board, managing the Board, acting as liaison between the Board and management, and representing the Company to external groups including shareholders, local communities and governments.

- Chair of Each Committee

The Board has established a written position description for the chair of each Board Committee, who are responsible for, among other things, providing effective leadership of the committee for which they are appointed as chair, to liaise with management and others, as appropriate, to ensure a candid and full discussion on all key matters that come before the committee, and to ensure that the responsibilities and duties of the committee as set out in its charter are being properly discharged.

- President and CEO

The Board has established a written position description for the CEO, who is responsible for, among other things, the day-to-day management of the business and the affairs of the Company. The CEO is also responsible for assisting the Chair of the Board, the Lead Director and the Chairs of the Board committees to develop agendas for the Board and Board committee meetings to enable these entities to carry out their responsibilities, reporting to the Board in an accurate, timely and clear matter on all aspects of the business that are relevant so that the directors may objectively carry out their responsibilities, making recommendations to the Board on those matters on which the Board is required to make decisions, ensuring that the financial statements and other financial information contained in regulatory filings and other public disclosure fairly present the financial condition of the Company, ensuring the integrity of the financial and other internal control and management information systems and risk management systems, the promoting of ethical conduct within the Company, recruiting of senior management as may be directed by the Board, senior management development and succession, acting as the principal interface between the Board and senior management, promoting a safe work environment that is conducive to attracting, retaining and motivating high-quality employees, and speaking on behalf of the Company in its communication to its shareholders and the public.

### ***Orientation and Continuing Education***

The Governance and Nominating Committee of the Board is responsible, among other things, for determining appropriate orientation and education programs for new Board members. While the Company does not have formal orientation and training programs, new Board members are provided with:

- a) Information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
- b) Access to recent, publicly filed documents of the Company;
- c) Access to management, auditors and technical consultants; and
- d) Further information and education as deemed appropriate and desirable by the Company's Governance and Nominating Committee on a case-by-case basis.

### ***Ethical Business Conduct***

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has adopted a written Code of Business Conduct and Ethics (the “Code”) which may be viewed by visiting the Company’s website at [www.blackwolfcopperandgold.com](http://www.blackwolfcopperandgold.com). The Board monitors compliance with the Code by requesting that any person who becomes aware of any existing or potential violation of the Code promptly notify the Chair of the Audit Committee. No material change report filed since the beginning of the Company’s most recently completed financial year, pertains to any conduct of a director or executive officer that constitutes a departure from the Code. In addition, the Company requires that directors who have a material interest declare that interest to the Board or committee thereof. The Governance and Nominating Committee is responsible (among other things) for overseeing the procedure for monitoring directors’ responsibility, diligence, and for avoiding conflict of interest.

### ***Nomination of Directors***

The Governance and Nominating Committee, composed entirely of independent directors, was formed for the purposes of assisting the Board in developing the Company’s approach to the nomination of directors. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. For responsibilities, powers and operations of the Governance and Nominating Committee, see “*Orientation and Continuing Education*” above and “Governance and Nominating Committee” below.

### ***Assessments***

The Board, at such times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors, receives reports from the Governance and Nominating Committee on its assessment of the functioning of the Board and reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

In fiscal year 2021, the Governance and Nominating Committee engaged in a newly-developed Board formal self-assessment procedure which included the distribution of skills assessment form to each member of the Board. The results of the skill assessment process were reviewed and discussed by the Board.

## ***Diversity***

Diversity, including the level of representation of women on the Board, is one factor which the Governance and Nomination Committee takes into consideration in identifying and nominating candidates for election or reelection to the Board. However, the Governance and Nomination Committee evaluates potential nominees to the Board by reviewing their qualifications of prospective nominees to determine their relevance and particular skill set having regard to the then-current Board composition and the anticipated skills required to supplement and round out the capabilities of the Board.

The Company believes that potential candidates for executive officer positions should be evaluated based on their individual skills sets and experience and while the Company considers diversity, including the level of representation of woman, the Company is committed to offering equal employment opportunities based upon an individual's qualifications and performance.

While the Company has not set a formal target with respect to the level of representation of women directors or executive officers, the Company is committed to providing an environment in which all employees and directors are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude.

## ***Other Board Committees***

The Board has appointed a Compensation Committee, Governance and Nominating Committee and Environmental, Health, Safety and Technical Committee.

## ***Compensation Committee***

As of the date of this Information Circular and during the financial year ended October 31, 2021, members of the Compensation Committee included Donald J. Birak (Chair), Jessica Van Den Akker and Ronald Stewart. The proposed members of the Compensation Committee are Donald J. Birak (Chair), Jessica Van Den Akker and Matthew Moore.

The Compensation Committee is primarily responsible for making recommendations to the Board regarding executive compensation. See Part 4 – Named Executive Officer Compensation – “*Compensation of NEO's*”.

### ***Governance and Nominating Committee***

As of the date of this Information Circular and during the financial year ended October 31, 2021, members of the Governance and Nominating Committee included Edie Thome (Chair), Jessica Van Den Akker and Ronald Stewart. The proposed members of the Governance and Nominating Committee are Jessica Van Den Akker (Chair), Matthew Moore and Julia Gartley.

The Governance and Nominating Committee is primarily responsible for the development and supervision of the Company's approach to corporate governance issues including, but not limited to, the composition of the Board and its committees, orientation and education programs for the directors and reviewing annually the Company's corporate governance policies and procedures and making recommendations to the Board with respect thereto. The Governance and Nominating Committee is also responsible for developing the Company's approach to the nomination of directors, but not limited to, identifying and recommending qualified candidates for nomination as directors of the Company.

### ***Environmental, Health, Safety & Technical Committee***

As of the date of this Information Circular and during the financial year ended October 31, 2021, members of the Environmental, Health, Safety & Technical Committee members included Donald Birak (Chair), Robert McLeod and Ronald Stewart. The proposed members of the Environmental, Health, Safety & Technical Committee are Donald Birak (Chair), Julia Gartley, Matthew Moore, Robert McLeod and Jodie Gibson, VP Exploration.

The Environmental, Health, Safety and Technical Committee is primarily responsible for the following:

- a. Development, evaluation and assessment of the Company's policies and its performance with respect to the environmental, health and safety and technical issues to identify areas of potential deficiencies and suggesting improvements were appropriate; and
- b. Policies and practices regarding environmental, health, safety and technical matters including staying apprised of climate change practices and environmental issues that may impact the Company and its projects.

All committees of the Board are accountable to the full Board.

## **PART 8 – OTHER INFORMATION**

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

As of the date of this Information Circular and within the most recently completed financial year, other than routine indebtedness (as defined in National Instrument 51-102F5) and unless immediately stated below, no current or former executive officer or director of the Company, proposed nominee for election as a director, or employee of the Company or any respective associate, was indebted to the Company or any of its subsidiaries.

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

Except as disclosed herein, no informed person, director, executive officer, nominee for director of the Company, or any associate or affiliate of any informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries other than as set out herein. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any 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 upon at the Meeting other than the election of directors or the appointment of auditors.

### **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted. See "*Interest of Informed Persons and Companies in Material Transactions*" and "Terms of NEO Agreements" above.

### **OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.



## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information relating to Blackwolf Copper and Gold Ltd. is provided in the Company's comparative financial statements and management discussion and analysis ("MD&A") for the fiscal year ended October 31, 2021. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to 3123 - 595 Burrard Street, Box 49139, Vancouver, British Columbia, V7X 1J1; or (ii) fax to (604) 609-6145. The Company's Financial Statement Request Form has been provided with the Meeting materials for signature and return by those shareholders who are interested in receiving future copies of these financial statements and MD&A, in accordance with National Instrument 51-102 "Continuous Disclosure Obligations".

## **APPROVAL**

The content and sending of this Information Circular has been approved by the Board.

**DATED** at Vancouver, British Columbia, the 26<sup>th</sup> day of May, 2022.

## **BY ORDER OF THE BOARD**

*"Robert McLeod"*  
CEO and President

**SCHEDULE A**

**BLACKWOLF COPPER AND GOLD LTD.**

**AMENDED OMNIBUS SHARE INCENTIVE PLAN**

**MAY 26, 2022**

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**BLACKWOLF COPPER AND GOLD LTD.**

**AMENDED OMNIBUS SHARE INCENTIVE PLAN**

Blackwolf Copper and Gold Ltd. (the "**Corporation**") hereby establishes an amended omnibus share incentive plan for certain qualified directors, executive officers, employees, Management Company Employees and Consultants of the Corporation or any of its Subsidiaries (as defined herein).

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

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

"**Account**" means a notional account maintained for each Participant on the books of the Corporation which will be credited with Share Units or DSUs, as applicable, in accordance with the terms of this Plan;

"**Affiliate**" has the meaning ascribed thereto in the *Securities Act* (British Columbia), as amended, supplemented or replaced from time to time;

"**Award**" means any of an Option, Share Unit or DSU granted pursuant to, or otherwise governed by, the Plan;

"**Award Agreement**" means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a Share Unit Agreement, a DSU Agreement, an Employment Agreement or a Consulting Agreement;

"**Blackout Period**" means a period during which the Corporation prohibits Participants from trading securities of the Corporation which is formally imposed by the Corporation pursuant to its internal trading policies (which, for greater certainty, does not include a period during which a Participant or the Corporation is subject to a cease trade order (or similar order under securities laws) in respect of the Corporation's securities);

"**Blackout Period Expiry Date**" means the date on which a Blackout Period expires;

"**Board**" means the board of directors of the Corporation as constituted from time to time;

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

"**Canadian Participant**" means a Participant who is a resident of Canada and/or who is granted an Award in respect of, or by virtue of, employment services rendered in Canada, provided that, for greater certainty, a Participant may be both a Canadian Participant and a U.S. Taxpayer;

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

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

- (a) any transaction (other than a transaction described in paragraph (b) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans;
- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of assets, rights or properties of the Corporation or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other Person, other than a disposition to a wholly-owned Subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its wholly-owned Subsidiaries;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, immediately prior to a particular time, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board immediately following such time; 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;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

"**Code Section 409A**" means Section 409A of the Code and applicable regulations and guidance issued thereunder;

**"Consultant"** means an individual (other than an employee, executive officer or director of the Corporation or a Subsidiary) or company that: (a) is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a distribution; (b) provides the services under a written contract between the Corporation or the Subsidiary and the individual or company, as the case may be; and (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary;

**"Consulting Agreement"** means any written consulting agreement between the Corporation or a Subsidiary and a Participant who is a Consultant;

**"Designated Broker"** means a broker who is independent of, and deals at arm's length with, the Corporation and its Subsidiaries and is designated by the Corporation;

**"Dividend Equivalent"** means additional Share Units or DSUs credited to a Participant's Account as a dividend equivalent pursuant to Section 4.7 or Section 5.6, respectively;

**"DSU"** means a deferred share unit, which is a right awarded to a Participant to receive a payment as provided in Article 5 hereof and subject to the terms and conditions of this Plan;

**"DSU Agreement"** means a written agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof, a form of which is attached hereto as Exhibit "D";

**"DSU Redemption Date"** means, with respect to a particular DSU, the date on which such DSU is redeemed in accordance with the provisions of this Plan;

**"Eligible Participant"** means: (a) in respect of a grant of Options, any director, executive officer, employee, Management Company Employee or Consultant of the Corporation or any of its Subsidiaries, (b) in respect of a grant of Share Units, any director, executive officer, employee, Management Company Employee or Consultant of the Corporation or any of its Subsidiaries other than an Investor Relations Service Provider, and (c) in respect of a grant of DSUs, any Non-Employee Director other than an Investor Relations Service Provider;

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

**"Exchange"** means the TSXV or, if the Shares are not listed and posted for trading on the TSXV at a particular date, such other stock exchange or trading platform upon which the Shares are listed and posted for trading and which has been designated by the Board;

**"Exercise Notice"** means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Option, if applicable;

**"Insider"** has the meaning ascribed thereto in section 1.2 of Policy 1.1 – *Interpretation* of the Corporate Finance Manual of the TSXV;

**"Investor Relations Activities"** has the meaning ascribed thereto in section 1.2 of Policy 1.1 – *Interpretation* of the Corporate Finance Manual of the TSXV;

**"Investor Relations Service Provider"** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;

"**ITA**" means the *Income Tax Act* (Canada), as amended from time to time;

"**ITA Regulations**" means the regulations promulgated under the ITA, as amended from time to time;

"**Management Company Employee**" has the meaning ascribed thereto in TSXV Policy 4.4;

"**Market Value of a Share**" means, with respect to any particular date as of which the Market Value of a Share is required to be determined, (a) if the Shares are then listed on the TSXV, the closing price of the Shares on the TSXV on the last Trading Day prior to such particular date; (b) if the Shares are not then listed on the TSXV, the closing price of the Shares on any other stock exchange on which the Shares are then listed (and, if more than one, then using the stock exchange on which a majority of trading in the Shares occurs) on the last Trading Day prior to such particular date; or (c) if the Shares are not then listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith, and such determination shall be conclusive and binding on all Persons;

"**Non-Employee Director**" means a member of the Board who is not otherwise an employee or executive officer of the Corporation or a Subsidiary;

"**Option**" means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price;

"**Option Agreement**" means a written agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, a form of which is attached hereto as Exhibit "A";

"**Option Price**" has the meaning ascribed thereto in Section 3.2(1) hereof;

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

"**Outstanding Issue**" means the number of Shares that are issued and outstanding as at a specified time, on a non-diluted basis;

"**Participant**" means any Eligible Participant that is granted one or more Awards under the Plan;

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

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

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

"**Plan**" means this Amended Omnibus Share Incentive Plan, including the exhibits hereto, as amended or amended and restated from time to time;

"**Redemption Date**" has the meaning ascribed thereto in Section 4.5(1) hereof;

"**Reserved Amount**" has the meaning ascribed thereto in Section 2.4(1)(c) hereof;

"**Restriction Period**" means, with respect to a particular grant of Share Units, the period between the date of grant of such Share Units and the latest Vesting Date in respect of any portion of such Share Units;

"**SEC**" means the U.S. Securities and Exchange Commission;



**"Separation from Service"** has the meaning ascribed to it under Code Section 409A;

**"Share Compensation Arrangement"** means any stock option, stock option plan, employee stock purchase plan, long-term incentive plan or other compensation or incentive mechanism involving the issuance or potential issuance of Shares from treasury;

**"Share Unit"** means a right awarded to a Participant to receive a payment as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

**"Share Unit Agreement"** means a written agreement between the Corporation and a Participant evidencing the grant of Share Units and the terms and conditions thereof, a form of which is attached hereto as Exhibit "C";

**"Share Unit Outside Expiry Date"** has the meaning ascribed thereto in Section 4.5(4) hereof;

**"Shares"** means the common shares in the capital of the Corporation;

**"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;

**"Termination Date"** means (a) in the event of a Participant's resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Corporation or one of its Subsidiaries, (b) in the event of the termination of a Participant's employment, or position as director or executive officer of the Corporation or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Subsidiary, as the case may be, and (c) in the event of a Participant's death, the date of death, provided that, in all cases, in applying the provisions of this Plan to DSUs granted to a Canadian Participant, the "Termination Date" shall be the latest date on which the Participant is neither a director, executive officer or employee of the Corporation or of any affiliate of the Corporation (where "affiliate" has the meaning ascribed thereto by the Canada Revenue Agency for the purposes of paragraph 6801(d) of the ITA Regulations);

**"Termination of Service"** means that a Participant has ceased to be an Eligible Participant;

**"Trading Day"** means any day on which the TSXV or other applicable stock exchange is open for trading;

**"TSXV"** means the TSX Venture Exchange;

**"U.S." or "United States"** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

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

**"U.S. Share Unit Outside Expiry Date"** has the meaning ascribed thereto in Section 4.1 hereof;

**"U.S. Taxpayer"** means a Participant who is a U.S. citizen, a U.S. permanent resident or other person who is subject to taxation on their income or in respect of Awards under the Code, provided that, for greater certainty, a Participant may be both a Canadian Participant and a U.S. Taxpayer; and

**"Vesting Date"** has the meaning ascribed thereto in Section 4.4 hereof.

## **1.2 Interpretation**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion or authority, as the case may be, of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.
- (4) The words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation".
- (5) In this Plan, 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.
- (6) Unless otherwise specified in the Participant's Award Agreement, all references to dollar amounts are to Canadian currency, and where any amount is required to be converted to or from a currency other than Canadian currency, such conversion shall be based on the exchange rate quoted by the Bank of Canada on the particular date.
- (7) For purposes of this Plan, the legal representatives of a Participant shall only include the legal representative of the Participant's estate or will.
- (8) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2**

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

#### **2.1 Purpose of the Plan**

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

- (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Corporation or a Subsidiary; and

- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or service.

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

- (1) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. If such committee is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 7 and any applicable rules of an Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operation of the Plan as it may deem necessary or advisable. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on the Corporation, its Subsidiaries and all Eligible Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board, or any Person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Corporation. For greater clarity, the Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

## **2.3 Participation in this Plan**

- (1) The Corporation 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, vesting, exercise or settlement of an Award or any transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Corporation nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant (or any Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant (or any Person with whom the Participant does not deal at arm's length within the meaning of the Plan) to compensate for a downward fluctuation in the price of the Shares or any shares of the Corporation or of a related (within the meaning of the ITA) corporation, nor will any other form of benefit be conferred upon,

or in respect of, a Participant for such purpose. The Corporation and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.

- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim or interest in any specific property or asset of the Corporation or any of its Subsidiaries. No asset of the Corporation or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.
- (3) Unless otherwise determined by the Board, the Corporation shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.

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

- (1) Subject to adjustment pursuant to Article 7 hereof, and as may be approved by the Exchange and the shareholders of the Corporation from time to time:
  - (a) the securities that may be acquired by Participants pursuant to Awards under this Plan shall consist of authorized but unissued Shares, provided that in the case of Share Units and DSUs, the Corporation (or applicable Subsidiary) may, at its sole discretion, elect to settle such Share Units or DSUs in Shares acquired in the open market by a Designated Broker for the benefit of a Participant;
  - (b) the maximum number of Shares reserved for issuance, in the aggregate, pursuant to the exercise of Options granted under this Plan shall be equal to 10% of the Outstanding Issue from time to time, less the Reserved Amount and the number of Shares reserved for issuance pursuant to any other Share Compensation Arrangement of the Corporation; and
  - (c) the actual number of Shares reserved for issuance at any given time, in the aggregate, pursuant to the settlement of Share Units and DSUs granted under this Plan shall not exceed 750,000 Shares (the "**Reserved Amount**").
- (2) For the purposes of calculating the number of Shares reserved for issuance under this Plan:
  - (a) each Option shall be counted as reserving one Share under the Plan, and
  - (b) notwithstanding that the settlement of any Share Unit or DSU in Shares shall be at the sole discretion of the Corporation as provided herein, each Share Unit and each DSU shall, in each case, be counted as reserving one Share under the Plan.
- (3) No Award may be granted if such grant would have the effect of causing the total number of Shares reserved for issuance under this Plan to exceed the maximum number of Shares reserved for issuance under this Plan as set out above.

- (4) If (a) an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised, or (b) an outstanding Award (or portion thereof) is settled in cash, then in each such case the Shares reserved for issuance in respect of such Award (or portion thereof) will again be available for issuance under the Plan.

## **2.5 Participation Limits**

- (1) In no event shall this Plan, together with all other previously established and outstanding Share Compensation Arrangements of the Corporation, permit at any time:

- (a) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the Outstanding Issue; or
- (b) the grant to Insiders (as a group), within any 12 month period, of an aggregate number of Awards exceeding 10% of the Outstanding Issue, calculated at the date an Award is granted to any Insider,

unless the Corporation has obtained the requisite disinterested shareholder approval.

- (2) The aggregate number of Awards granted to any one Person (and companies wholly-owned by that Person) in any 12 month period shall not exceed 5% of the Outstanding Issue, calculated on the date an Award is granted to the Person, unless the Corporation has obtained the requisite disinterested shareholder approval.
- (3) The aggregate number of Awards granted to any one Consultant in any 12 month period shall not exceed 2% of the Outstanding Issue, calculated at the date an Award is granted to the Consultant.
- (4) The aggregate number of Options granted to all Investor Relations Service Providers shall not exceed 2% of the Outstanding Issue in any 12 month period, calculated at the date an Option is granted to any such Person.

## **2.6 Granting of Awards**

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

## ARTICLE 3 OPTIONS

### 3.1 Nature of Options

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For greater certainty, the Corporation is obligated to issue and deliver the designated number of Shares on the exercise of an Option and shall have no independent discretion to settle an Option in cash or other property other than Shares issued from treasury. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

### 3.2 Option Awards

- (1) Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participants who may receive Options under the Plan, (b) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted (which shall not be prior to the date of the resolution of the Board), (c) subject to Section 3.3, determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**"), (d) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (e) determine the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of the Exchange. For Options granted to employees, Management Company Employees and Consultants, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* Employee, Management Company Employee or Consultant (in each case as such terms are defined in section 1.2 of Policy 4.4 – *Incentive Stock Options* of the Corporate Finance Manual of the TSXV), as the case may be.
- (2) All Options granted herein shall vest in accordance with the terms of the Option Agreement entered into in respect of such Options. Notwithstanding the foregoing, Options granted to Investor Relations Service Providers must vest in stages over a period of not less than 12 months with no more than one-quarter (1/4) of the Options vesting in any three month period. No acceleration of the vesting provisions of Options granted to Investor Relations Service Providers is allowed without the prior acceptance of the TSXV.

### 3.3 Option Price

The Option Price in respect of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of a Share as of the date of the grant, less any discount permitted by the Exchange. A minimum exercise price cannot be established unless the Options are allocated to particular Participants.

### 3.4 Option Term

The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten (10) years from the date of grant of the Option ("**Option Term**"). Unless otherwise determined by the Board, all unexercised Options shall be cancelled, without any compensation, at the expiry of such Options. Notwithstanding the expiration provisions hereof, if the date on which an Option Term expires falls within a Blackout Period, the expiration date of the Option will be the date that is ten (10) Business Days after the Blackout Period Expiry Date. Notwithstanding anything else herein contained, the ten (10) Business Day period referred to in this Section 3.4 may not be further extended by the Board.

### **3.5 Exercise of Options**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board, at the time of granting the particular Option, may determine in its sole discretion.

For greater certainty, any exercise of Options by a Participant shall be made in compliance with the Corporation's insider trading policy.

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

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the legal representative of the Participant) by delivering a fully completed Exercise Notice, a form of which is attached hereto as Exhibit "B", to the Corporation at its registered office to the attention of the Chief Financial Officer of the Corporation (or the individual that the Chief Financial Officer of the Corporation may from time to time designate) or by giving notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by payment, in full, of (a) the Option Price multiplied by the number of Shares specified in such Exercise Notice, and (b) such amount in respect of withholding taxes and other applicable source deductions as the Corporation may require under Section 8.2. Such payment shall be in the form of cash, certified cheque, bank draft or any other form of cash payment deemed acceptable by the Board.
- (2) Upon exercise of an Option, the Corporation shall, as soon as practicable after such exercise and receipt of all payments required to be made by the Participant to the Corporation in connection with such exercise, but no later than ten (10) Business Days following such exercise and payment, forthwith cause the transfer agent and registrar of the Shares either to:
  - (a) deliver to the Participant (or to the legal representative of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or the legal representative of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the legal representative of the Participant) shall have then paid for and as are specified in such Exercise Notice, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.
- (3) No fractional Shares will be issued upon the exercise of Options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 7.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

### **3.7 Option Agreements**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine with reference to the form attached as Exhibit "A". The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax laws (including, in respect of Canadian Participants, such terms and conditions so as to ensure that the Option shall be continuously governed by section 7 of the ITA) or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Corporation.

## ARTICLE 4 RESTRICTED AND PERFORMANCE SHARE UNITS

### 4.1 Nature of Share Units

A Share Unit is an Award that is a bonus for services rendered in the year of grant, that, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the sole discretion of the Board, a Share, and subject to such restrictions and conditions on vesting as the Board may determine at the time of grant, unless such Share Unit expires prior to being settled. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship (sometimes referred to as a "Restricted Share Unit" or "RSU"), the achievement of specified Performance Criteria (sometimes referred to as a "Performance Share Unit" or "PSU"), or both. Share Units must be subject to a minimum 12 month vesting period following the date the Share Unit is granted or issued, subject to acceleration of vesting in certain cases in accordance with the terms of this Plan and TSXV Policy 4.4.

Unless otherwise provided in the applicable Share Unit Agreement, it is intended that Share Units awarded to U.S. Taxpayers will be exempt from Code Section 409A under U.S. Treasury Regulation section 1.409A-1(b)(4), and accordingly such Share Units will be settled/redeemed by March 15<sup>th</sup> of the year following the year in which such Share Units are not, or are no longer, subject to a substantial risk of forfeiture (as such term is interpreted under Code Section 409A). For greater certainty, upon the satisfaction or waiver or deemed satisfaction of all Performance Criteria and other vesting conditions, the Share Units of U.S. Taxpayers will no longer be subject to a substantial risk of forfeiture, and will be settled/redeemed by March 15<sup>th</sup> of the following year (the "**U.S. Share Unit Outside Expiry Date**"). It is intended that, in respect of Share Units granted to Canadian Participants as a bonus for services rendered in the year of grant, neither the Plan nor any Share Units granted hereunder will constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof. All Share Units granted hereunder shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received or receivable by any Canadian Participant in respect of his or her services to the Corporation or a Subsidiary, as applicable.

### 4.2 Share Unit Awards

- (1) Subject to the provisions herein and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participants who may receive Share Units under the Plan, (b) fix the number of Share Units, if any, to be granted to each Eligible Participant and the date or dates on which such Share Units shall be granted, (c) determine the relevant conditions, vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such Share Units, and (d) determine any other terms and conditions applicable to the granted Share Units, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any Share Unit Agreement. For Share Units granted to employees, management company employees and Consultants, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* Employee, Management Company Employee or Consultant (in each case as such terms are defined in section 1.2 of Policy 4.4 – *Incentive Stock Options* of the Corporate Finance Manual of the TSXV), as the case may be.
- (2) All Share Units granted herein shall vest in accordance with the terms of the Share Unit Agreement entered into in respect of such Share Units.



- (3) Subject to the vesting and other conditions and provisions in this Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Board in its sole discretion may determine, in each case less any applicable withholding taxes. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any Share Unit, and, notwithstanding any discretion exercised by the Board to settle any Share Unit, or a portion thereof, in the form of Shares, the Board reserves the right to change such form of payment at any time until payment is actually made.

#### **4.3 Share Unit Agreements**

- (1) The grant of a Share Unit by the Board shall be evidenced by a Share Unit Agreement in such form not inconsistent with the Plan as the Board may from time to time determine with reference to the form attached as Exhibit "C". Such Share Unit Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Share Unit Agreement. The provisions of the various Share Unit Agreements issued under this Plan need not be identical.
- (2) The Share Unit Agreement shall contain such terms that the Corporation considers necessary in order that the Share Units granted to U.S. Taxpayers will comply with Code Section 409A and any provisions respecting restricted share units in the income tax laws (including, in respect of Canadian Participants, such terms and conditions so as to ensure that the Share Units shall not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof) or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Corporation.

#### **4.4 Vesting of Share Units**

The Board shall have sole discretion to (a) determine if any vesting conditions with respect to a Share Unit, including any Performance Criteria or other vesting conditions contained in the applicable Share Unit Agreement, have been met, (b) waive the vesting conditions applicable to Share Units (or deem them to be satisfied) provided that 12 months have passed since the date the Share Unit was granted or issued (subject to acceleration in certain cases in accordance with this Plan and TSXV Policy 4.4), and (c) extend the Restriction Period with respect to any grant of Share Units, provided that (i) any such extension shall not result in the Restriction Period for such Share Units extending beyond the Share Unit Outside Expiry Date, and (ii) with respect to any grant of Share Units to a U.S. Taxpayer, such extension constitutes a substantial risk of forfeiture and such Share Units will continue to be exempt from (or otherwise comply with) Code Section 409A. The Corporation shall communicate to a Participant, as soon as reasonably practicable, the date on which all such applicable vesting conditions in respect of a grant of Share Units to the Participant have been satisfied, waived or deemed satisfied and such Share Units have vested (the "**Vesting Date**"). Notwithstanding the foregoing, if the date on which any Share Units would otherwise vest falls within a Blackout Period, the Vesting Date of such Share Units will be deemed to be the date that is the earlier of (i) ten Business Days after the Blackout Period Expiry Date (which ten Business Day period may not be further extended by the Board) and (ii) the Share Unit Outside Expiry Date in respect of such Share Units, provided that in no event will the redemption and settlement of any Share Units of a Participant who is a U.S. Taxpayer be delayed beyond March 15th of the calendar year immediately following the year in which such Share Units are not, or are no longer, subject to a substantial risk of forfeiture (as such term is interpreted under Code Section 409A).

#### 4.5 Redemption / Settlement of Share Units

- (1) Subject to the provisions of this Section 4.5 and Section 4.6, a Participant's vested Share Units shall be redeemed in consideration for a cash payment on the date (the "**Redemption Date**") that is the earliest of (a) the 15<sup>th</sup> day following the applicable Vesting Date for such vested Share Units (or, if such day is not a Business Day, on the immediately following Business Day), (b) the Share Unit Outside Expiry Date, and (c) in the case of a Participant who is a U.S. Taxpayer, the U.S. Share Unit Outside Expiry Date.
- (2) Subject to the provisions of this Section 4.5 and Section 4.6, during the period between the Vesting Date and the Redemption Date in respect of a Participant's vested Share Units, the Corporation (or any Subsidiary that is party to an Employment Agreement or Consulting Agreement with the Participant whose vested Share Units are to be redeemed) shall, at its sole discretion, be entitled to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the Participant's vested Share Units either (a) by the issuance of Shares to the Participant (or the legal representative of the Participant, if applicable) on the Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Shares in the open market, which Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit.
- (3) Settlement of a Participant's vested Share Units shall take place on the Redemption Date as follows:
  - (a) where the Corporation (or applicable Subsidiary) has elected to settle all or a portion of the Participant's vested Share Units in Shares issued from treasury:
    - (i) in the case of Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 8.2; or
    - (ii) in the case of Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;
  - (b) where the Corporation or a Subsidiary has elected to settle all or a portion of the Participant's vested Share Units in Shares purchased in the open market, by delivery by the Corporation or Subsidiary of which the Participant is a director, executive officer, employee or Consultant to the Designated Broker of readily available funds in an amount equal to the Market Value of a Share as of the Redemption Date multiplied by the number of vested Share Units to be settled in Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 8.2, along with directions instructing the Designated Broker to use such funds to purchase Shares in the open market for the benefit of the Participant and to be evidenced by a confirmation from the Designated Broker of such purchase;

- (c) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's Share Units that the Corporation or a Subsidiary has elected to settle in Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Corporation or Subsidiary of which the Participant is a director, executive officer, employee or Consultant, in cash, by cheque or by such other cash payment method as the Corporation and Participant may agree; and
  - (d) where the Corporation or a Subsidiary has elected to settle a portion, but not all, of the Participant's vested Share Units in Shares, the Participant shall be deemed to have instructed the Corporation or Subsidiary, as applicable, to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 8.2 and to remit such withheld amount to the applicable taxation authorities on account of any withholding tax obligations, and the Corporation or Subsidiary, as applicable, shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion payable to settle a Participant's Share Units in the foregoing circumstances is not sufficient to satisfy the withholding obligations of the Corporation or a Subsidiary pursuant to Section 8.2, the Corporation or Subsidiary, as applicable, shall be entitled to satisfy any remaining withholding obligation by any other mechanism as may be required or determined by the Corporation or Subsidiary as appropriate.
- (4) Notwithstanding any other provision in this Article 4, no payment, whether in cash or in Shares, shall be made in respect of the settlement of any Share Units later than December 15<sup>th</sup> of the third (3<sup>rd</sup>) calendar year following the end of the calendar year in respect of which such Share Unit is granted (the "**Share Unit Outside Expiry Date**").

#### **4.6 Determination of Amounts**

- (1) The cash payment obligation arising in respect of the redemption and settlement of a vested Share Unit pursuant to Section 4.5 shall be equal to the Market Value of a Share as of the applicable Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's vested Share Units shall, subject to any adjustments in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, be equal to the Market Value of a Share as of the Redemption Date for such vested Share Units multiplied by the number of vested Share Units in the Participant's Account at the commencement of the Redemption Date (after deducting any such vested Share Units in the Participant's Account in respect of which the Corporation (or applicable Subsidiary) makes an election under Section 4.5(2) to settle such vested Share Units in Shares).
- (2) If the Corporation (or applicable Subsidiary) elects in accordance with Section 4.5(2) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's vested Share Units by the issuance of Shares, the Corporation shall, subject to any adjustments in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, issue to the Participant (or the legal representative of the Participant, if applicable), for each vested Share Unit which the Corporation (or applicable Subsidiary) elects to settle in Shares, one Share. Where, as a result of any adjustment in accordance with Section 7.1 and/or any withholding required pursuant to Section 8.2, the aggregate number of Shares to be received by a Participant upon an election by the Corporation (or applicable Subsidiary) to settle all or a portion of the Participant's vested Share Units in Shares includes a fractional Share, the aggregate number of Shares to be received by the Participant shall be rounded down to the nearest whole number of Shares.

#### **4.7 Award of Dividend Equivalents**

- (1) Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded as a bonus for services rendered in the year in respect of unvested Share Units in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional Share Units, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of Share Units in such Participant's Account on the date that dividends are paid multiplied by (b) the dividend paid per Share and the denominator of which is the Market Value of a Share calculated as of the date that dividends are paid. Any additional Share Units credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting, Restriction Periods and expiry) as the Share Units in respect of which such additional Share Units are credited.
- (2) In the event that the Participant's applicable Share Units do not vest, all Dividend Equivalents, if any, associated with such Share Units will be forfeited by the Participant.
- (3) Any increase in the number of Shares underlying Share Units as a result of the award of Dividend Equivalents provided in this Section 4.7 is subject to compliance with the limits set out in Section 2.5 and if any increase in the number of Shares underlying Share Units as a result of the operation of this Section 4.7 would result in any limit set out in Section 2.5 being exceeded, then the Corporation may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the TSXV, if required), make payment in cash to the holder of the Share Units in lieu of the increasing number of Shares underlying Share Units in order to properly reflect any diminution in value of the Shares as a result of such dividend distribution.

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

#### **5.1 Nature of DSUs**

A DSU is an Award for services rendered, or for future services to be rendered, and that, upon settlement, entitles the recipient Participant to receive cash or acquire Shares, as determined by the Corporation in its sole discretion, unless such DSU expires prior to being settled.

For greater certainty, the aggregate of all amounts each of which may be received in respect of a DSU shall depend, at all times, on the fair market value of shares in the capital of the Corporation or any corporation related (within the meaning of the ITA) thereto within the period that commences one year prior to the Participant's Termination Date and ends at the time the amount is received.

#### **5.2 DSU Awards**

- (1) Subject to the provisions of this Plan, any shareholder or regulatory approval which may be required, and the requirements of paragraph 6801(d) of the ITA Regulations and Code Section 409A, the Board shall, from time to time by resolution, in its sole discretion, (a) designate the Eligible Participants who may receive DSUs under the Plan, (b) fix the number of DSUs, if any, to be granted to any Eligible Participant and the date or dates on which such DSUs shall be granted, and (c) determine the relevant conditions and vesting provisions for such DSUs, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement, as applicable. DSUs must be subject to a minimum 12 month vesting period following the date the DSU is granted or issued, subject to acceleration of vesting in certain cases in accordance with the terms of this Plan and TSXV Policy 4.4.

- (2) All DSUs granted herein shall vest in accordance with the terms of the DSU Agreement entered into in respect of such DSUs. Notwithstanding any express or implied term of this Plan to the contrary, the Board does not have the right to alter the vesting conditions of DSUs, which conditions will immediately vest upon termination of employment for those DSUs that were granted or issued at least 12 months prior to termination or for those DSUs that otherwise had their vesting accelerated in accordance with the terms of this Plan and TSXV Policy 4.4.
- (3) Subject to the vesting and other conditions and provisions in this Plan and in any DSU Agreement, each DSU awarded to a Participant shall entitle the Participant to receive on settlement a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares as the Corporation in its sole discretion may determine. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any DSU, and, notwithstanding any discretion exercised by the Corporation to settle any DSU, or portion thereof, in the form of Shares, the Corporation reserves the right to change such form of payment at any time until payment is actually made.

### **5.3 DSU Agreements**

- (1) The grant of a DSU by the Board shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine with reference to the form attached as Exhibit "D". Such DSU Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a DSU Agreement. The provisions of the various DSU Agreements issued under this Plan need not be identical.
- (2) Each DSU Agreement shall contain such terms that the Corporation considers necessary in order that the DSUs granted thereunder to U.S. Taxpayers will comply with Code Section 409A and any provisions respecting deferred share units in the income tax laws (including, in respect of Canadian Participants, such terms and conditions so as to ensure that the DSUs shall not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA by reason of the exemption in paragraph 6801(d) of the ITA Regulations) or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Corporation.

### **5.4 Redemption / Settlement of DSUs**

- (1) Except as otherwise provided in this Section 5.4 or Section 8.8 of this Plan, (i) DSUs of a Participant who is a U.S. Taxpayer shall be redeemed and settled by the Corporation as soon as reasonably practicable following the Participant's Separation from Service, and (ii) DSUs of a Participant who is a Canadian Participant (or who is neither a U.S. Taxpayer nor a Canadian Participant) shall be redeemed and settled by the Corporation as soon as reasonably practicable following the Participant's Termination Date, but in any event not later than, and any payment (whether in cash or in Shares) in respect of the settlement of such DSUs shall be made no later than, December 15<sup>th</sup> of the first (1<sup>st</sup>) calendar year commencing immediately after the Participant's Termination Date. Notwithstanding the foregoing, if a payment in settlement of DSUs of a Participant who is both a U.S. Taxpayer and a Canadian Participant:

- (a) is required as a result of his or her Separation from Service in accordance with clause (i) above, but such payment would result in such DSUs failing to satisfy the requirements of paragraph 6801(d) of the ITA Regulations, and the Board determines that it is not practical to make such payment in some other manner or at some other time that complies with both Code Section 409A and paragraph 6801(d) of the ITA Regulations, then such payment will be made to a trustee to be held in trust for the benefit of the Participant in a manner that causes the payment to be included in the Participant's income under the Code but does not contravene the requirements of paragraph 6801(d) of the ITA Regulations, and the amount shall thereafter be paid out of the trust at such time and in such manner as complies with the requirements of paragraph 6801(d) of the ITA Regulations; or
  - (b) is required pursuant to clause (ii) above, but such payment would result in such DSUs failing to satisfy the requirements of Code Section 409A because the Participant has not experienced a Separation from Service, and if the Board determines that it is not practical to make such payment in some other manner or at some other time that satisfies the requirements of both Code Section 409A and paragraph 6801(d) of the ITA Regulations, then the Participant shall forfeit such DSUs without compensation therefor.
- (2) The Corporation will have, at its sole discretion, the ability to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the redemption and settlement of a Participant's DSUs either (a) by the issuance of Shares to the Participant (or the legal representative of the Participant, if applicable) on the DSU Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Shares in the open market, which Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit.
- (3) For greater certainty, the Corporation shall not pay any cash or issue or deliver any Shares to a Participant in satisfaction of the redemption of a Participant's DSUs prior to the Corporation being satisfied, in its sole discretion, that all applicable withholding taxes and other applicable source deductions under Section 8.2 will be timely withheld or received and remitted to the appropriate taxation authorities in respect of any particular Participant and any particular DSUs.
- (4) The redemption and settlement of a Participant's DSUs shall occur on the applicable DSU Redemption Date as follows:
  - (a) where the Corporation has elected to settle all or a portion of the Participant's DSUs in Shares issued from treasury:
    - (i) in the case of Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 8.2; or
    - (ii) in the case of Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;

- (b) where the Corporation has elected to settle all or a portion of the Participant's DSUs in Shares purchased in the open market, by delivery by the Corporation to the Designated Broker of readily available funds in an amount equal to the Market Value of a Share as of the applicable DSU Redemption Date multiplied by the number of DSUs to be settled in Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 8.2, along with directions instructing the Designated Broker to use such funds to purchase Shares in the open market for the benefit of the Participant and to be evidenced by a confirmation from the Designated Broker of such purchase;
- (c) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's DSUs that the Corporation has elected to settle in Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 8.2, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Corporation in cash, by cheque or by such other cash payment method as the Corporation and Participant may agree; and
- (d) where the Corporation has elected to settle a portion, but not all, of the Participant's DSUs in Shares, the Participant shall be deemed to have instructed the Corporation to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 8.2 and to remit such withheld amount to the applicable taxation authorities on account of any withholding obligations of the Corporation, and the Corporation shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion elected by the Corporation to settle the Participant's DSUs is not sufficient to satisfy the withholding obligations of the Corporation pursuant to Section 8.2, any remaining amounts shall be satisfied by the Corporation by any other mechanism as may be required or determined by the Corporation as appropriate.

## **5.5 Determination of Amounts**

- (1) The cash payment obligation by the Corporation in respect of the redemption and settlement of a DSU pursuant to Section 5.4 shall be equal to the Market Value of a Share as of the applicable DSU Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's DSUs shall, subject to any adjustment in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, be equal to the Market Value of a Share as of the DSU Redemption Date for such DSUs multiplied by the number of DSUs being redeemed (after deducting any such DSUs in respect of which the Corporation makes an election under Section 5.4(2) to settle such DSUs in Shares).
- (2) If the Corporation elects in accordance with Section 5.4(2) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's DSUs by the issuance of Shares, the Corporation shall, subject to any adjustments in accordance with Section 7.1 and any withholding required pursuant to Section 8.2, issue to the Participant, for each DSU which the Corporation elects to settle in Shares, one Share. Where, as a result of any adjustment in accordance with Section 7.1 and/or any withholding required pursuant to Section 8.2, the aggregate number of Shares to be received by a Participant upon an election by the Corporation to settle all or a portion of the Participant's DSUs includes a fractional Share, the aggregate number of Shares to be received by the Participant shall be rounded down to the nearest whole number of Shares.

## 5.6 Award of Dividend Equivalents

- (1) Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional DSUs, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of DSUs in such Participant's Account on the date that dividends are paid multiplied by (b) the dividend paid per Share and the denominator of which is the Market Value of a Share calculated as of the date that dividends are paid. Any additional DSUs credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting conditions) as the DSUs in respect of which such additional DSUs are credited.
- (2) In the event that the Participant's applicable DSUs do not vest, all Dividend Equivalents, if any, associated with such DSUs will be forfeited by the Participant.
- (3) Any increase in the number of Shares underlying DSUs as a result of the award of Dividend Equivalents provided in this Section 5.6 is subject to compliance with the limits set out in Section 2.5 and if any increase in the number of Shares underlying DSUs as a result of the operation of this Section 5.6 would result in any limit set out in Section 2.5 being exceeded, then the Corporation may, if determined by the Board in its sole and unfettered discretion (subject to the prior approval of the TSXV, if required), make payment in cash to the holder of the DSUs in lieu of the increasing number of Shares underlying DSUs in order to properly reflect any diminution in value of the Shares as a result of such dividend distribution.

## ARTICLE 6 GENERAL CONDITIONS

### 6.1 General Conditions Applicable to Awards

Each Award shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of this Plan and the Award Agreement entered into in respect of such Award. Subject to Article 4.4 and 5.2(2), the Board has the right, in its sole discretion, to waive any vesting conditions or accelerate the vesting of any Award, or to deem any Performance Criteria or other vesting conditions to be satisfied, notwithstanding the vesting schedule set forth for such Award; provided, however, that no acceleration of the vesting provisions of Options granted to Investor Relations Service Providers is allowed without the prior acceptance of the TSXV and, unless otherwise accepted by the TSXV, any acceleration of the vesting provisions of any Award (other than an Option) to a date that is less than one year from the date of grant or issuance must only be done in connection with the death of an Eligible Participant or in connection with an Eligible Participant ceasing to be an Eligible Participant under the Plan as a result of a Change of Control, take-over bid, reverse takeover or other similar transaction as required by TSXV Policy 4.4.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Corporation or a Subsidiary to the Participant of employment or another service relationship with the Corporation or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Corporation 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 Corporation or any of its Subsidiaries in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.



- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as a 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 and except as provided under this Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or 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.
- (6) **Non-Transferability.** Except as set forth herein, 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 descent and distribution. Awards may be exercised only by:
- (a) the Participant to whom the Awards were granted;
  - (b) upon the Participant's death, by the legal representative of the Participant's estate; or
  - (c) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A Person exercising an Award may subscribe for Shares only in the Person's own name or in the Person's capacity as a legal representative.

- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan (including, without limiting the generality of the foregoing, pursuant to Section 6.2), or unless the Board permits otherwise, upon any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Corporation and not of the Corporation itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## 6.2 General Conditions Applicable to Options

Except as otherwise provided in any Employment Agreement or Consulting Agreement or in any Award Agreement, each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for Cause shall be binding on the Participant. "**Cause**" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's codes of conduct and any other reason determined by the Corporation to be cause for termination.
- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Corporation or a Subsidiary being terminated without Cause (including, for the avoidance of doubt, as a result of any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, as contemplated by Section 6.1(7)), (a) each unvested Option granted to such Participant shall terminate and become void immediately upon such termination, and (b) each vested Option held by such Participant shall cease to be exercisable on the earlier of (i) ninety (90) days after the Participant's Termination Date (or such later date as the Board may, in its sole discretion, determine) and (ii) the expiry date of such Option as set forth in the applicable Award Agreement, after which such vested Option will expire.
- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Corporation or a Subsidiary, (a) each unvested Option granted to such Participant shall terminate and become void immediately upon such resignation, and (b) each vested Option held by such Participant shall cease to be exercisable on the earlier of (i) ninety (90) days after the Participant's Termination Date (or such later date as the Board may, in its sole discretion, determine) and (ii) the expiry date of such Option as set forth in the applicable Award Agreement, after which such vested Option will expire.
- (4) **Retirement/Permanent Disability.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement or permanent disability, (a) each unvested Option granted to such Participant shall terminate and become void immediately, and (b) each vested Option held by such Participant shall cease to be exercisable on the earlier of (i) ninety (90) days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Corporation or any Subsidiary by reason of permanent disability (or such later date as the Board may, in its sole discretion, determine) and (ii) the expiry date of such Option as set forth in the applicable Award Agreement, after which such vested Option will expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, (a) each unvested Option granted to such Participant shall terminate and become void immediately, and (b) each vested Option held by such Participant at the time of death may be exercised by the legal representative of the Participant, provided that any such vested Option shall cease to be exercisable on the earlier of (i) the date that is twelve (12) months after the Participant's death or (ii) the expiry date of such Option as set forth in the applicable Award Agreement, after which such vested Option will expire.
- (6) **Leave of Absence.** Upon a Participant electing a voluntary leave of absence of more than twelve (12) 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 Options shall remain outstanding and in effect until the applicable exercise date, or an earlier date determined by the Board at its sole discretion.

### 6.3 General Conditions Applicable to Share Units

Except as otherwise provided in any Employment Agreement or Consulting Agreement or in any Award Agreement, each Share Unit shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Corporation or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all Share Units credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested Share Units shall be forfeited and cancelled on the Termination Date.
- (2) **Death, Leave of Absence or Termination of Service.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, or upon a Participant ceasing to be Eligible Participant as a result of (a) death, (b) retirement, (c) Termination of Service for reasons other than for Cause, (d) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by reason of injury or disability or (e) becoming eligible to receive long-term disability benefits, all unvested Share Units in the Participant's Account as of such date relating to a Restriction Period in progress shall be forfeited and cancelled. Notwithstanding the foregoing, if the Board, in its sole discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested Share Units, the date of such action is the Vesting Date.
- (3) **General.** For greater certainty, where (a) a Participant's employment or service relationship with the Corporation or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) hereof or (b) a Participant elects for a voluntary leave of absence pursuant to Section 6.3(2) hereof following the satisfaction of all vesting conditions in respect of particular Share Units but before receipt of the corresponding distribution or payment in respect of such Share Units, the Participant shall remain entitled to such distribution or payment.

## **ARTICLE 7 ADJUSTMENTS AND AMENDMENTS**

### **7.1 Adjustment to Shares Subject to Outstanding Awards**

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

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

### **7.2 Change of Control**

- (1) Subject to the prior approval of the TSXV with respect to Options held by Investor Relations Service Providers, in the event of a potential Change of Control, the Board shall have the power, in its sole discretion, to accelerate the vesting of Options to assist the Participants to tender into a takeover bid or participate in any other transaction leading to a Change of Control. For greater certainty, subject to the prior approval of the TSXV with respect to Options held by Investor Relations Service Providers, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to (a) provide that any or all Options shall thereupon terminate, provided that any such outstanding Options that have vested shall remain exercisable until the consummation of such Change of Control, and (b) permit Participants to conditionally exercise their vested Options immediately prior to the consummation of the take-over bid and the Shares issuable under such Options to be tendered to such bid, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control). If, however, the potential Change of Control referred to in this Section 7.2 is not completed within the time specified therein (as the same may be extended), then notwithstanding this Section 7.2 or the definition of "Change of Control": (i) any conditional exercise of vested Options shall be deemed to be null, void and of no effect, and such

conditionally exercised Options shall for all purposes be deemed not to have been exercised, (ii) Shares which were issued pursuant to the exercise of Options which vested pursuant to this Section 7.2 shall be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares, and (iii) the original terms applicable to Options which vested pursuant to this Section 7.2 shall be reinstated. In the event of a Change of Control, the Board may exercise its discretion to accelerate the vesting of, or waive the Performance Criteria or other vesting conditions applicable to, outstanding Share Units, and the date of such action shall be the Vesting Date of such Share Units.

- (2) Subject to the prior approval of the TSXV with respect to Options held by Investor Relations Service Providers, if the Corporation completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Participant who was also an officer or employee of, or Consultant to, the Corporation prior to the Change of Control has their Employment Agreement or Consulting Agreement terminated, then: (a) all unvested Options granted to such Participant shall immediately vest and become exercisable, and remain open for exercise until the earlier of (i) their expiry date as set out in the applicable Award Agreement, and (ii) the date that is 90 days after such termination or dismissal; and (b) all unvested Share Units shall become vested, and the date of such Participant's Termination Date shall be deemed to be the Vesting Date.

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

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants, provided that such amendment 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 Plan;
  - (b) be in compliance with applicable law (including Code Section 409A and the provisions of the ITA, to the extent applicable), and subject to any regulatory approvals including, where required, the approval of the TSXV (or any other stock exchange on which the Shares are listed); and
  - (c) be subject to shareholder approval to the extent such approval is required by applicable law or the requirements of the TSXV (or any other stock exchange on which the Shares are listed), provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Corporation, make the following amendments:
    - (i) other than amendments to the exercise price and the expiry date of any Award as described in Section 7.3(2)(b) and Section 7.3(2)(c), any amendment, with the consent of the Participant, to the terms of an Award previously granted to such Participant under the Plan;
    - (ii) any amendment necessary to comply with applicable law (including taxation laws) or the requirements of the TSXV (or any other stock exchange on which the Shares are listed) or any other regulatory body to which the Corporation is subject;

- (iii) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correcting grammatical or typographical errors and amending the definitions contained within the Plan; or
  - (iv) any amendment regarding the administration or implementation of the Plan.
- (2) Notwithstanding Section 7.3(1)(c), the Board shall be required to obtain TSXV and shareholder approval, including, if required by the applicable Exchange, disinterested shareholder approval to make the following amendments:
  - (a) any amendment to the maximum percentage or number of Shares that may be reserved for issuance pursuant to the exercise or settlement of Awards granted under the Plan, including an increase to the fixed maximum percentage of Shares or a change from a fixed maximum percentage of Shares to a fixed maximum number of Shares or vice versa, except in the event of an adjustment pursuant to Section 7.1;
  - (b) any amendment which reduces the exercise price of any Award, as applicable, after such Award has been granted or any cancellation of an Award and the replacement of such Award with an Award with a lower exercise price or other entitlements, except in the event of an adjustment pursuant to Section 7.1; provided, however, that, for greater certainty, disinterested shareholder approval will be required for any amendment which reduces the exercise price of any Option if the Participant is an Insider of the Corporation at the time of the proposed amendment;
  - (c) any amendment which extends the expiry date of any Award, or the Restriction Period of any Share Unit beyond the original expiry date or Restriction Period, except in the event of an extension due to a Blackout Period;
  - (d) any amendment which would permit Awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes as allowed by Section 6.1(6);
  - (e) any amendment to the definition of an Eligible Participant under the Plan;
  - (f) any amendment to the participation limits set out in Section 2.5; or
  - (g) any amendment to this Section 7.3 of the Plan;
- (3) The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment or engagement shall not apply for any reason acceptable to the Board.
- (4) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

## **ARTICLE 8 MISCELLANEOUS**

### **8.1 Use of an Administrative Agent**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

### **8.2 Tax Withholding**

Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the legal representative of the Participant) under this Plan shall be made net of any applicable withholdings, including in respect of applicable withholding taxes required to be withheld at source and other source deductions, as the Corporation determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then the withholding obligation may be satisfied in such manner as the Corporation determines, including (a) by the sale of a portion of such Shares by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 8.1, on behalf of and as agent for the Participant, as soon as permissible and practicable, with the proceeds of such sale being used to satisfy any withholding and remittance obligations of the Corporation (and any remaining proceeds, following such withholding and remittance, to be paid to the Participant), (b) by requiring the Participant, as a condition of receiving such Shares, to pay to the Corporation an amount in cash sufficient to satisfy such withholding, or (c) any other mechanism as may be required or determined by the Corporation as appropriate; provided, however, that the application of this Section 8.2 to any distribution, delivery of Shares or payments to a Participant (or to the legal representative of the Participant) under this Plan shall not conflict with the policies of the Exchange that are in effect at the relevant time and the Corporation will obtain prior Exchange acceptance and/or shareholder approval of any application of this Section 8.2 if required pursuant to such policies.

### **8.3 Securities Law Compliance**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award, the exercise of any Option, the delivery of any Shares upon exercise of any Option, or the Corporation's election to deliver Shares in settlement of any Share Units or DSUs, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award or exercise of any Option hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (3) Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (4) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

(5) U.S. Securities Laws

- a) With respect to Awards granted in the United States or to U.S. Persons (as defined under Regulation S under the U.S. Securities Act) or at such time as the Corporation ceases to be a "foreign private issuer" (as defined under Regulation S under the U.S. Securities Act), unless the Shares which may be issued upon the exercise or settlement of such Awards are registered under the U.S. Securities Act and any applicable state securities laws, the Awards granted hereunder and any Shares that may be issuable upon the exercise or settlement of such Awards will be considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) or under applicable state securities laws, as the case may be. Accordingly, any such Awards or Shares issued prior to an effective registration statement filed with the SEC or qualification under applicable state securities laws may not be transferred, sold, assigned, pledged, hypothecated or otherwise disposed by the Participant, directly or indirectly, without registration under the U.S. Securities Act and applicable state securities laws, as the case may be, or unless in compliance with an available exemption therefrom. Certificate(s) representing the Awards and any Shares issued upon the exercise or settlement of such Awards prior to an effective registration statement filed with the SEC, and all certificate(s) issued in exchange therefor or in substitution thereof, will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act:

"THE SECURITIES REPRESENTED HEREBY [for Awards add: AND ANY SECURITIES ISSUABLE UPON EXERCISE OR SETTLEMENT HEREOF] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT (A) TO THE CORPORATION, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. HEDGING TRANSACTIONS INVOLVING SUCH SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT GOOD DELIVERY OF THE SHARES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

- b) Any Participant that is in the United States or is a U.S. Person shall by acceptance of an Award under this Plan be deemed to represent, warrant, acknowledge and agree with the Corporation that: (A) the Participant is acquiring the Award for his or her own account, as principal, (B) unless otherwise notified by the Corporation, the Award and the Shares underlying the Award, if any, have not been registered under the U.S. Securities Act and are "restricted securities" under Rule 144 under the U.S. Securities Act, (C) the certificates representing the Award and any Shares issued upon exercise or settlement thereof will bear the restrictive legend set forth above, and (D) the Corporation is relying on these representations and warranties to support the conclusion of the Corporation that the granting of the Award and any Shares issuable upon exercise or settlement thereof do not require registration under the U.S. Securities Act or any applicable state securities laws.



#### **8.4 Reorganization of the Corporation**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation 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.

#### **8.5 Quotation of Shares**

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

#### **8.6 Governing Laws**

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

#### **8.7 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.

#### **8.8 Code Section 409A**

It is intended that any payments under the Plan to U.S. Taxpayers shall be exempt from or comply with Code Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Code Section 409A. Solely to the extent that Awards of a U.S. Taxpayer are determined to be subject to Code Section 409A, the following will apply with respect to the rights and benefits of U.S. Taxpayers under the Plan:

- (1) Except as permitted under Code Section 409A, any deferred compensation (within the meaning of Code Section 409A) payable to or for the benefit of a U.S. Taxpayer may not be reduced by, or offset against, any amount owing by the U.S. Taxpayer to the Corporation or any of its Affiliates.
- (2) If a U.S. Taxpayer becomes entitled to receive payment in respect of any Share Units or any DSUs that are subject to Code Section 409A, as a result of his or her Separation from Service and the U.S. Taxpayer is a "specified employee" (within the meaning of Code Section 409A) at the time of his or her Separation from Service, and the Board makes a good faith determination that (a) all or a portion of the Share Units or DSUs constitute "deferred compensation" (within the meaning of Code Section 409A) and (b) any such deferred compensation that would otherwise be payable during the six-month period following such Separation from Service is required to be delayed pursuant to the six-month delay rule set forth in Code Section 409A in order to avoid taxes or penalties under Code Section 409A, then payment of such "deferred compensation" shall not be made to the U.S. Taxpayer before the date which is six months after the date of his or her Separation from Service (and shall be paid in a single lump sum on the first day of the seventh month following the date of such Separation from Service) or, if earlier, the U.S. Taxpayer's date of death.

- (3) A U.S. Taxpayer's status as a "specified employee" (within the meaning of Code Section 409A) shall be determined by the Corporation as required by Code Section 409A on a basis consistent with Code Section 409A and such basis for determination will be consistently applied to all plans, programs, contracts, agreements, etc. maintained by the Corporation that are subject to Code Section 409A.
- (4) Although the Corporation intends that Share Units will be exempt from Code Section 409A or will comply with Code Section 409A, and that DSUs will comply with Code Section 409A, the Corporation makes no assurances that the Share Units will be exempt from Code Section 409A or will comply with it. Each U.S. Taxpayer, any beneficiary or the U.S. Taxpayer's estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with this Plan (including any taxes and penalties under Code Section 409A), and neither the Corporation nor any Subsidiary shall have any obligation to indemnify or otherwise hold such U.S. Taxpayer or beneficiary or the U.S. Taxpayer's estate harmless from any or all of such taxes or penalties.
- (5) In the event that the Board determines that any amounts payable hereunder will be taxable to a Participant under Code Section 409A prior to payment to such Participant of such amount, the Corporation may (a) adopt such amendments to the Plan and Share Units and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Board determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Share Units hereunder and/or (b) take such other actions as the Board determines necessary or appropriate to avoid or limit the imposition of an additional tax under Code Section 409A.
- (6) In the event the Corporation amends, suspends or terminates the Plan or Share Units as permitted under the Plan, such amendment, suspension or termination will be undertaken in a manner that does not result in adverse tax consequences under Code Section 409A.

#### **8.9 Effective Date of the Plan**

The Plan shall become effective upon a date to be determined by the Board; provided, however, that the Share Unit and DSU components of the Plan shall be subject to disinterested shareholder approval.

**EXHIBIT "A"**

**TO AMENDED OMNIBUS SHARE INCENTIVE PLAN OF BLACKWOLF COPPER AND GOLD LTD.**

**FORM OF OPTION AGREEMENT**

This Option Agreement is entered into between Blackwolf Copper and Gold Ltd. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Amended Omnibus Share Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

1. \_\_\_\_\_ (the "**Grant Date**"),
2. \_\_\_\_\_ (the "**Participant**")
3. was granted \_\_\_\_\_ options ("**Options**") to purchase common shares of the Corporation (each, a "**Share**"), in accordance with the terms of the Plan, which Options will bear the following terms:
  - (a) Exercise Price and Expiry. Subject to the vesting conditions specified below, the Options will be exercisable by the Participant at a price of CAD\$● per Share (the "**Option Price**") at any time prior to expiry on ● (the "**Expiration Date**").
  - (b) Vesting; Time of Exercise. Subject to the terms of the Plan, the Options shall vest and become exercisable as follows:

<b>Number of Options</b>	<b>Vested On</b>

If the aggregate number of Shares vesting in a tranche set forth above includes a fractional Share, the aggregate number of Shares will be rounded down to the nearest whole number of Shares. Notwithstanding anything to the contrary herein, the Options shall expire on the Expiration Date set forth above and must be exercised, if at all, on or before the Expiration Date. Options are denominated in Canadian dollars (CAD\$).

4. The Options shall be exercisable only by delivery to the Corporation of a duly completed and executed notice in the form attached to this Option Agreement (the "**Exercise Notice**"), together with (a) payment of the Option Price for each Share covered by the Exercise Notice, and (b) payment of any withholding taxes as required in accordance with the terms of the Exercise Notice. Any such payment to the Corporation shall be made by certified cheque or wire transfer in readily available funds.
5. Subject to the terms of the Plan, the Options specified in an Exercise Notice shall be deemed to be exercised upon receipt by the Corporation of such written Exercise Notice, together with the payment of all amounts required to be paid by the Participant to the Corporation pursuant to paragraph 4 of this Option Agreement.

6. The Participant hereby represents and warrants (on the date of this Option Agreement and upon each exercise of Options) that:
- (a) the Participant has not received any offering memorandum, or any other documents (other than annual financial statements, interim financial statements or any other document the content of which is prescribed by statute or regulation, other than an offering memorandum) describing the business and affairs of the Corporation that has been prepared for delivery to, and review by, a prospective purchaser in order to assist it in making an investment decision in respect of the Shares;
  - (b) the Participant is acquiring the Shares without the requirement for the delivery of a prospectus or offering memorandum, pursuant to an exemption under applicable securities legislation and, as a consequence, is restricted from relying upon the civil remedies otherwise available under applicable securities legislation and may not receive information that would otherwise be required to be provided to it;
  - (c) the Participant has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Corporation and does not desire to utilize a registrant in connection with evaluating such merits and risks;
  - (d) the Participant acknowledges that an investment in the Shares involves a high degree of risk, and represents that it understands the economic risks of such investment and is able to bear the economic risks of this investment;
  - (e) the Participant acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the exercise of any Options, as provided in Section 8.2 of the Plan;
  - (f) this Option Agreement constitutes a legal, valid and binding obligation of the Participant, enforceable against him or her in accordance with its terms; and
  - (g) the execution and delivery of this Option Agreement and the performance of the obligations of the Participant hereunder will not result in the creation or imposition of any lien, charge or encumbrance upon the Shares.

The Participant acknowledges that the Corporation is relying upon such representations and warranties in granting the Options and issuing any Shares upon exercise thereof.

7. The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this Option Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this Option Agreement, and (c) hereby accepts these Options subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this Option Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this Option Agreement and the Plan, and has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement.
8. This Option Agreement and the terms of the Plan incorporated herein (with the Exercise Notice, if the Option is exercised) constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the Options and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not

be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This Option Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of British Columbia. Should any provision of this Option Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

9. In accordance with Section 8.3(5) of the Plan, if the Options and the underlying Shares are not registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, the Options may not be exercised in the "United States" or by "U.S. Persons" (each as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares issued to Option holders in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

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**IN WITNESS WHEREOF** the Corporation and the Participant have executed this Option Agreement as of \_\_\_\_\_, 20\_.

**BLACKWOLF COPPER AND GOLD LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
[NAME OF PARTICIPANT]

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Corporation within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your Options.

**EXHIBIT "B"**  
**TO AMENDED OMNIBUS SHARE INCENTIVE PLAN OF**  
**BLACKWOLF COPPER AND GOLD LTD.**

**FORM OF OPTION EXERCISE NOTICE**

**TO: BLACKWOLF COPPER AND GOLD LTD.**

This Exercise Notice is made in reference to the Amended Omnibus Share Incentive Plan (the "**Plan**") of Blackwolf Copper and Gold Ltd. (the "**Corporation**").

The undersigned (the "**Participant**") holds options ("**Options**") under the Plan to purchase • common shares of the Corporation (each, a "**Share**") at a price per Share of CAD\$• (the "**Option Price**") pursuant to the terms and conditions set out in that certain option agreement between the Participant and the Corporation dated • (the "**Option Agreement**"). The Participant confirms the representations and warranties contained in the Option Agreement.

The Participant hereby:

<input type="checkbox"/>	<p>irrevocably gives notice of the exercise of _____ Options held by the Participant pursuant to the Option Agreement at the Option Price, for an aggregate exercise price of CAD\$ _____ (the "<b>Aggregate Option Price</b>"), on the terms specified in the Option Agreement and encloses herewith a certified cheque payable to the Corporation or evidence of wire transfer to the Corporation in full satisfaction of the Aggregate Option Price.</p> <p>The Participant acknowledges and agrees that: (i) in addition to the Aggregate Option Price, the Corporation may require the Participant to also provide the Corporation with a certified cheque or evidence of wire transfer equal to the amount of any applicable withholding taxes associated with the exercise of such Options, before the Corporation will issue any Shares to the Participant in settlement of the Options; and (ii) the Corporation shall have the sole discretion to determine the amount of any applicable withholding taxes associated with the exercise of such Options, and shall inform the Participant of such amount as soon as reasonably practicable upon receipt of this completed Exercise Notice.</p>
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**Registration:**

The Shares issued pursuant to this Exercise Notice are to be registered in the name of the undersigned and are to be delivered, as directed below:

Name: \_

Address: \_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Participant

\_\_\_\_\_  
Signature of Participant

**EXHIBIT "C"**  
**TO AMENDED OMNIBUS SHARE INCENTIVE PLAN**  
**OF BLACKWOLF COPPER AND GOLD LTD.**

**FORM OF SHARE UNIT AGREEMENT**

This Share Unit Agreement is entered into between Blackwolf Copper and Gold Mining Ltd. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Amended Omnibus Share Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

1. \_\_\_\_\_ (the "**Grant Date**"),
2. \_\_\_\_\_ (the "**Participant**")
3. was granted \_\_\_\_\_ Share Units ("**Share Units**"), in accordance with the terms of the Plan, which Share Units will vest as follows:

Number of Share Units	Time Vesting Conditions	Performance Vesting Conditions
_____	_____	_____
_____	_____	_____
_____	_____	_____

all on the terms and subject to the conditions set out in the Plan.

4. Subject to the terms and conditions of the Plan, the performance period for any performance-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on ● (the "**Performance Period**"), while the restriction period for any time-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on ● (the "**Restriction Period**"). Subject to the terms and conditions of the Plan, Share Units will be redeemed and settled fifteen days after the applicable Vesting Date, all in accordance with the terms of the Plan.
5. By signing this Share Unit Agreement, the Participant:
  - (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof, which terms and conditions shall be deemed to be incorporated into and form part of this Share Unit Agreement (subject to any specific variations contained in this Share Unit Agreement);
  - (b) acknowledges that, subject to the vesting and other conditions and provisions in this Share Unit Agreement, each Share Unit awarded to the Participant shall entitle the Participant to receive on settlement an aggregate cash payment equal to the Market Value of a Share or, at the election of the Corporation and in its sole discretion, one Share of the Corporation. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any Share Unit, and, notwithstanding any discretion exercised by the Corporation to settle any Share Unit, or portion thereof, in the form of Shares, the Corporation reserves the right to change such form of payment at any time until payment is actually made;



- (c) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the vesting and redemption of any Share Unit, as determined by the Corporation in its sole discretion;
  - (d) agrees that a Share Unit does not carry any voting rights;
  - (e) acknowledges that the value of the Share Units granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed; and
  - (f) recognizes that, at the sole discretion of the Corporation, the Plan can be administered by a designee of the Corporation by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Corporation.
6. The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this Share Unit Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this Share Unit Agreement, and (c) hereby accepts these Share Units subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this Share Unit Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this Share Unit Agreement and the Plan, and has had an opportunity to obtain the advice of counsel prior to executing this Share Unit Agreement.
7. This Share Unit Agreement and the terms of the Plan incorporated herein constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the Share Units and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This Share Unit Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of British Columbia. Should any provision of this Share Unit Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.
8. In accordance with Section 8.3(5) of the Plan, unless the Shares that may be issued upon the settlement of vested Share Units granted pursuant to this Share Unit Agreement are registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and any applicable state securities laws, such Shares may not be issued in the "United States" or to "U.S. Persons" (each as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares issued to a Participant in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

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**IN WITNESS WHEREOF** the Corporation and the Participant have executed this Share Unit Agreement as of \_\_\_\_\_, 20\_.

**BLACKWOLF COPPER AND GOLD LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
[NAME OF PARTICIPANT]

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Corporation within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your Share Units.

**EXHIBIT "D"**  
**TO AMENDED OMNIBUS SHARE INCENTIVE PLAN OF**  
**BLACKWOLF COPPER AND GOLD LTD.**

**FORM OF DSU AGREEMENT**

This DSU Agreement is entered into between Blackwolf Copper and Gold Ltd. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Amended Omnibus Share Incentive Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that on:

1. \_\_\_\_\_ (the "**Grant Date**"),
2. \_\_\_\_\_ (the "**Participant**")
3. was granted \_\_\_\_\_ deferred share units ("**DSUs**"), in accordance with the terms of the Plan.
4. The DSUs subject to this DSU Agreement [are fully vested] [will become vested as follows: \_\_\_\_\_].
5. Subject to the terms of the Plan, the settlement of the DSUs, in cash (or, at the election of the Corporation, in Shares or a combination of cash and Shares), shall be payable to you, net of any applicable withholding taxes in accordance with the Plan, not later than December 15<sup>th</sup> of the first (1<sup>st</sup>) calendar year commencing immediately after the Termination Date, provided that if you are a U.S. Taxpayer, the settlement will be as soon as administratively feasible following your Separation from Service. If the Participant is both a U.S. Taxpayer and a Canadian Participant, the settlement of the DSUs will be subject to the provisions of Section 5.4(1) of the Plan.
6. By signing this agreement, the Participant:
  - (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof, which terms and conditions shall be deemed to be incorporated into and form part of this DSU Agreement (subject to any specific variations contained in this DSU Agreement);
  - (b) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the vesting and redemption of any DSU, as determined by the Corporation in its sole discretion;
  - (c) agrees that a DSU does not carry any voting rights;
  - (d) acknowledges that the value of the DSUs granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed; and
  - (e) recognizes that, at the sole discretion of the Corporation, the Plan can be administered by a designee of the Corporation by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Corporation.
7. The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this DSU Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this DSU Agreement, and (c) hereby accepts these DSUs subject to all of the terms and provisions hereof and of the Plan. To the extent of any inconsistency between the terms of this

DSU Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this DSU Agreement and the Plan, and has had an opportunity to obtain the advice of counsel prior to executing this DSU Agreement.

8. This DSU Agreement and the terms of the Plan incorporated herein constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the DSUs and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Parties. This DSU Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of British Columbia. Should any provision of this DSU Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed bylaw and the other provisions shall nevertheless remain effective and shall remain enforceable.
9. In accordance with Section 8.3(5) of the Plan, unless the Shares that may be issued upon the settlement of the DSUs are registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and any applicable state securities laws, such Shares may not be issued in the "United States" or to "U.S. Persons" (each as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares issued to a Participant in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

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**IN WITNESS WHEREOF** the Corporation and the Participant have executed this DSU Agreement as of \_\_\_\_\_, 20\_\_.

**BLACKWOLF COPPER AND GOLD LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
[NAME OF PARTICIPANT]

**Note to Plan Participants**

This Agreement must be signed where indicated and returned to the Corporation within 30 days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your DSUs.