



## INFORMATION CIRCULAR

AS AT MAY 8, 2024

This Information Circular is furnished in connection with the solicitation of proxies by the Management of **FJORDLAND EXPLORATION INC.** (the “Company”) for use at the Meeting of the shareholders of the Company (the “Shareholders”), 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. Except where otherwise indicated, the information contained herein is stated as of May 8, 2024.

In this Information Circular, references to the “Company”, “we” and “our” refer to Fjordland Exploration Inc. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

### GENERAL PROXY INFORMATION

#### **Solicitation of Proxies**

THE ENCLOSED PROXY IS BEING SOLICITED BY MANAGEMENT OF THE COMPANY. 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 will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery. The Company is relying on the Notice-and-Access provisions of NI 54-101 to send proxy-related materials to Registered Shareholders or Non-Registered Shareholders in connection with the Meeting.

#### **Appointment and Revocation of Proxies**

The persons named in the accompanying form of Proxy (the “Proxy”) are Directors or Officers of the Company. If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy. Registered Shareholders electing to submit a Proxy may do so by:

- i) Completing, dating and signing the enclosed Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”), by fax in North America at 1-866-249-7775, or by mail or hand delivery at 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Canada;
- ii) Using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the Registered Shareholder’s account number and the Proxy Control Number; or

- iii) Using the internet through the website of Computershare at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed Proxy for the Registered Shareholder's account number and the Proxy Control Number.

In all cases you should ensure the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- i) executed by the Registered Shareholder or by his/her attorney authorized in writing or, where the Registered Shareholder is a company, by a duly authorized officer or attorney of the company; and
- ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof;

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see "Non-Registered Shareholders" below for further information on how to vote your Common Shares.

#### **Exercise of Discretion by Proxyholder**

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

- i) each matter or group of matters identified therein for which a choice is not specified;
- ii) any amendment to or variation of any matter identified therein;
- iii) any other matter that properly comes before the Meeting; and
- iv) exercise of discretion of proxyholder.

#### **Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Non-Registered Shareholder's Intermediary or an agent of that Intermediary. In Canada, the majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co., as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company. If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting

instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada and the United States.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Broadridge will name the same persons as the Company's Proxy to represent you at the Meeting. Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your intermediary, you, or a person designated by you (who need not be a Shareholder), may attend the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity. To exercise this right to attend the Meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

On **May 8, 2024**, 82,935,531 common shares without par value were issued and outstanding, each share carrying the right to one vote. 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 is the holder.

Only Shareholders of record on the close of business on **May 8, 2024** who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "General Proxy Information" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the Directors and Senior Officers of the Company, only the following own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

Name	Number of Shares	Percentage
Ivanhoe Electric Inc. 450 E. Rio Salado Parkway Suite 130 Tempe, AZ 85281	14,000,000 <sup>1</sup>	16.9%

<sup>1</sup>14,000,000 shares are held by IVNE BC Holdings Ltd., a private company directly controlled by Ivanhoe Electric Inc.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES 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.

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

For the purposes of this Information Circular, "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, 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; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as set forth herein, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **A. General Provisions**

For the purposes of this Information Circular:

"CEO" of the Company means an individual who served as Chief Executive Officer of the Company, or performed functions similar to a Chief Executive Officer, for any part of the most recently completed financial year;

"CFO" of the Company means an individual who served as Chief Financial Officer of the Company, or performed functions similar to a Chief Financial Officer, for any part of the most recently completed financial year;

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

"executive officer" of the Company means an individual who is the Chairman or Vice-Chairman of the Board, the President, a CEO, a CFO, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, or any other individual who performed a policy-making function in respect of the Company;

"NEO" or "named executive officer" means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;

- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

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

*All currency references herein are expressed in Canadian Dollars unless otherwise specified.*

## **B. Compensation Discussion and Analysis**

The Company’s Compensation Committee, which is comprised of John Sheedy, Robert Cameron and Scott Broughton, is solely responsible for the compensation program for the Company’s Named Executive Officers. At the request of the Compensation Committee, other directors may, from time to time, provide recommendations to the Compensation Committee with respect to compensation for the Company’s NEOs.

The compensation program’s objectives are:

- Attract and retain qualified and experienced executives to drive the continued development of the Company and its current and future mineral exploration assets, thereby creating shareholder value; and
- Provide executives, through independent research and analysis, with appropriate salaries and incentives and encourage the achievement of specific milestones with respect to the development of the Company.

The deliberations of the Compensation Committee are private. Compensation for the Company’s NEOs consists generally of: (i) base cash salary or consulting fee; (ii) cash bonus payments for achievement of specific milestones or benchmarks; and (iii) option grants pursuant to the Company’s Stock Option Plan. The Company does not provide the NEOs with personal benefits nor does the Company provide any additional compensation to its NEOs for serving as directors of the Company.

At the Meeting, the disinterested shareholders of the Company will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders confirming and approving the Company’s Equity Incentive Plan, a copy of which is attached as Schedule B. The directors of the Company unanimously recommend that shareholders vote in favour of the resolution approving the Equity Incentive Plan. The persons named in the form of proxy accompanying this Circular intend to vote FOR the Equity Incentive Plan, unless the shareholder of the Company who has given such proxy has directed that the shares represented by such proxy be voted against the Equity Incentive Plan. See section in this Circular titled “Particulars of Other Matters To Be Acted Upon – Approval of Equity Incentive Plan”.

## **C. Summary Compensation Tables**

James Tuer, President and CEO and Mark T. Brown, are the NEOs of the Company for the purposes of the following disclosure. The compensation for the NEOs and directors of the Company who are not NEOs, directly or indirectly, for the Company’s two most recently-completed financial years is as follows:

<b>Table of Compensation (excluding compensation securities)</b>							
<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees \$</b>	<b>Value of Perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
James Tuer President & CEO and Director	Dec 31, 2023	150,000	Nil	Nil	Nil	Nil	150,000
	Dec 31, 2022	150,000	Nil	Nil	Nil	Nil	150,000
Mark T. Brown CFO	Dec 31, 2023	60,000	Nil	Nil	Nil	Nil	60,000
	Dec 31, 2022	60,000	Nil	Nil	Nil	Nil	60,000

Peter Krag-Hansen Director	Dec 31, 2023	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2022	Nil	Nil	Nil	Nil	Nil	Nil
Victor A. Tanaka Director	Dec 31, 2023	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2022	Nil	Nil	Nil	Nil	Nil	Nil
John Sheedy Director	Dec 31, 2023	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2022	Nil	Nil	Nil	Nil	Nil	Nil
Scott Broughton Director	Dec 31, 2023	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2022	Not applicable					
Robert Cameron Director	Dec 31, 2023	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2022	Not applicable					

Note, effective September 13, 2023, Messrs. Peter Krag-Hansen and Victor A. Tanaka ceased to be Directors of the Company. Mr. Scott Broughton was appointed a Director on April 24, 2023 and Mr. Robert Cameron was appointed a Director on September 13, 2023.

The following table discloses all compensation securities granted or issued to each NEO and Director by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company. No stock options were granted to directors and NEOs during the year ended December 31, 2023.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
James Tuer President and CEO	Stock Options Underlying Shares % of class	800,000 800,000 1.0%	April 27, 2023	\$0.06	\$0.03	\$0.02	April 27, 2028
John Sheedy Director	Stock Options Underlying Shares % of class	125,000 125,000 0.1%	April 27, 2023	\$0.06	\$0.03	\$0.02	April 27, 2028
Mark T. Brown CFO	Stock Options Underlying Shares % of class	125,000 125,000 0.1%	April 27, 2023	\$0.06	\$0.03	\$0.02	April 27, 2028
Scott Broughton Director	Stock Options Underlying Shares % of class	400,000 400,000 0.5%	April 27, 2023	\$0.06	\$0.03	\$0.02	April 27, 2028
Robert Cameron Director	Stock Options Underlying Shares % of class	250,000 250,000 0.3%	April 27, 2023	\$0.06	\$0.03	\$0.02	April 27, 2028

There were no exercises of compensation securities by NEOs and directors during the most recently completed financial year. There were no exercises of stock options by NEOs and directors during the year ended December 31, 2023.

There were no re-pricings or cancellations of Stock Options under the Stock Option Plan or otherwise during the year ended December 31, 2023.

The Company has no pension plans that provide for payments or benefits to NEOs and directors.

**D. Employment, Consulting and Management Agreements of Directors and NEOs**

The Company has in place a consulting agreement with Mark Brown’s private company, Pacific Opportunity Capital Ltd., to provide accounting services. James Tuer currently provides consulting services on a monthly basis through 1249606 BC Ltd. Otherwise, the Company has no employment, consulting or management agreements in place with respect to the other directors and NEOs.

There are no triggering events that could lead to possible future payments in respect of any of the directors and NEOs.

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

The following table sets forth details of the Company’s compensation plans under which equity securities of the Company were authorized for issuance at the end of the Company’s most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders	6,050,000	\$0.09	2,243,553
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>6,050,000</b>	<b>\$0.09</b>	<b>2,243,553</b>

The Company’s equity compensation plan consists only of stock options.

**INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, and no associates or affiliates of any of them, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company’s last completed financial year.

**CORPORATE GOVERNANCE DISCLOSURE**

**General**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below. National Instrument 58-201 – Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the board of directors (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.

National Instrument 58-101 – Disclosure of Corporate Governance Practices mandates disclosure of corporate governance practices, which disclosure is set out below.

**A. Independence of Members of the Board**

The Company's Board consists of four directors, of whom John Sheedy, Scott Broughton and Robert Cameron are independent based upon the tests for independence set forth in National Instrument 52-110 – Audit Committees (“NI 52-110”). James Tuer, President and CEO, is not considered independent.

**B. Management Supervision by the Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management including the non-independent directors, being present. Further supervision is performed through the audit committee which is composed of two independent directors who meet with the Company's auditors annually or as required throughout the fiscal year.

**C. Participation of Directors In Other Reporting Issuers**

The participation of the directors in other reporting issuers is described in the table provided under "Particulars of Matters to be Acted Upon – Elections of Directors" in this Information Circular.

**D. Orientation and Continuing Education**

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

1. information respecting the functioning of the Board and committees;
2. access to recent, publicly filed documents of the Company; and
3. access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

**E. 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 Company has in place a Code of Business Conduct and Ethics, a Whistleblower Policy, and an Insider Trading Policy, attached hereto.

**F. Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining exploration industry are consulted for possible candidates.

**G. Compensation**

Compensation paid to NEOs and directors is described in Items B and C of the section entitled “Statement of Executive Compensation”.

**H. Board Committees**

In addition to the Audit Committee, and the Compensation Committee the Board has a Corporate Governance Committee consisting of John Sheedy, Scott Broughton and Robert Cameron. The Corporate Governance Committee reviews corporate policies and has incorporated a code of ethics and conduct for employees to ensure that high business standards are maintained and that the Company is compliant with regulatory requirements.

## **I. Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development.

### **AUDIT COMMITTEE DISCLOSURE**

NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Company's audit committee is governed by an audit committee charter, the text of which is included in Schedule A attached hereto.

The Company's audit committee is comprised of three directors: John Sheedy, Robert Cameron and James Tuer. As defined in NI 52-110, John Sheedy and Robert Cameron are considered "independent" directors and are considered "financially literate"; James Tuer is not independent. The audit committee meets the requirements applicable to a "venture issuer" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*).

The educational background or experience of the respective audit committee members that has enabled each to perform his responsibilities as an audit committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting is as follows:

**John Sheedy** has over 30 years of investment, transaction and corporate decision-making experience, most recently as Managing Director with the Ontario Teachers' Pension Plan (Teachers') where he spent 16 years as an investor in public markets and in private equity. He has sourced and led investment transactions in multiple sectors, including metals and mining, in Canada, the U.S. and Brazil. Before joining Teachers', John was a partner at a Toronto-based merchant banking fund and a partner at Torys LLP where he practiced corporate and securities law. He has served on the boards of several private and not-for-profit companies and holds the ICD.d designation from the Institute of Corporate Directors. John received a B.A. Hons (Economics) from the University of Western Ontario and an LL.B. from Queen's University.

**Robert Cameron** has over 30 years of international experience in the mining industry including positions as President and CEO of Valley High Ventures and Bearing Resources Ltd. as well as Vice-President and Manager of exploration for Phelps Dodge Corporation of Canada Limited (a then subsidiary of Freeport McMoRan Copper and Gold Inc.). Additionally Robert has extensive market and finance experience including a term as mining analyst for Research Capital. He is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

**James Tuer** has over 30 years of experience in the finance and mining industry. He was the founding principal of Hudson Resources Inc., a Canadian-based mining and technology company focused on opportunities in Greenland. During Jamie's 19-year tenure as President, the company developed opportunities in diamonds, rare earths and industrial minerals. Among other things, these activities resulted in the discovery of the largest diamonds ever found in Greenland, the delineation of a significant rare earth 43-101 resource at Sarfartoq, and the development and construction of the 100% owned White Mountain anorthosite mine which is permitted for 50 years and is estimated to be able to sustain over 100 years of activity. Mr. Tuer is a double graduate of Queens University with a Bachelor of Science with Honours, Mechanical Engineering and a Master of Business Administration.

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110 or an exemption from NI 52-110 in whole or in part, granted under Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The audit committee has specific policies and procedures for the engagement of non-audit services, as described in its audit committee charter.

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

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

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2023	\$27,000	\$Nil	\$1,366.47	\$329.40
December 31, 2022	\$27,000	\$Nil	\$8,000	\$6,100

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

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

### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the financial year ended December 31, 2023, together with the Auditors’ Report thereon, will be presented to the shareholders at the Meeting.

### **ELECTION OF DIRECTORS**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of Directors at **four (4)**.

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of the Shareholders unless that person ceases to be a Director before then. In the absence of instructions to the contrary the shares represented by proxy will, on a poll, be voted for the nominees herein listed.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE PERSON NAMED IN THE PROXY AS NOMINEE TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

Management proposes that the number of directors for the Company be determined at four for the ensuing year subject to such increases as may be permitted by the Articles of the Company, and the Management nominees for the Board of Directors and information concerning them as furnished by the individual nominees are as follows:

<b>NAME, PROVINCE AND COUNTRY OF RESIDENCE AND OFFICE HELD</b>	<b>PRINCIPAL OCCUPATION OR EMPLOYMENT</b>	<b>DATE APPOINTED</b>	<b>HOLDINGS IN VOTING SECURITIES OF THE ISSUER<sup>1</sup></b>
James Tuer BC, Canada President, CEO & Director	President & CEO, Fjordland Exploration Inc.	Aug 1, 2020	1,463,400
John C. Sheedy, B.A., LL.B., ICD.d ON, Canada Director	Independent investor; Managing Director – Public Equities, Ontario Teachers’ Pension Plan, March 2005 to April 2021.	May 28, 2021	0
Scott Broughton Director BC, Canada	President & CEO, Vitreo Minerals Ltd. Chairman, Amaroq Gold Ltd.	April 24, 2023	0
Robert Cameron Director BC, Canada	President & CEO, Commander Resources Ltd.	Sept 13, 2023	0

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

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

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Robert Cameron	Commander Resources Ltd.

To the knowledge of management of the Company, no proposed director of the Company is, or within the ten years prior to the date of this Information Circular, has been, a director or executive officer of any company that while that person was acting in that capacity:

- i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- iii) 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;
- iv) has individually, within the 10 years prior to 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, officer or shareholder.

To the knowledge of management of the Company, no proposed director of the Company is, or within the 10 years prior to this Information Circular has:

- i) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- ii) been subject to:
  - (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities

regulatory authority; or

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

#### **APPOINTMENT OF AUDITOR**

Management proposes the re-appointment of Davidson & Company LLP, Professional Accountants, as auditors of the Company for the ensuing year and that the directors be authorized to fix their remuneration. Davidson & Company LLP were appointed auditors for the Company on January 9, 2007.

***The persons named as proxies in the enclosed form of proxy intend to cast the votes represented by proxy in favour of the foregoing resolution unless the holder of shares who has given such proxy has directed that the votes be otherwise cast.***

#### **EQUITY INCENTIVE PLAN**

The TSXV requires that the Company's shareholders approve the Company's equity incentive plan on an annual basis. The 2024 Equity Incentive Plan, attached to this Circular as Schedule B, is materially the same as the Plan which was approved at last year's annual general meeting of Shareholders. Accordingly, Shareholders will be asked at the Meeting to pass an ordinary resolution substantially as set out below:

"BE IT RESOLVED THAT:

1. The Company's 2024 Equity Incentive Plan, attached as Schedule B to the Company's management information circular dated May 8, 2024, is approved.
2. Any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolutions."

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

The Board considers that the ability to grant incentives is an important component of its compensation strategy and is necessary to enable the Company to attract and retain qualified directors, officers, employees and consultants. **The Board therefore recommends that Shareholders vote "For" the resolutions approving the proposed 2024 Equity Incentive Plan.** Unless otherwise instructed, the persons named in the enclosed form of Proxy will vote "IN FAVOUR" of the above resolutions.

***The persons named as proxies in the enclosed form of proxy intend to cast the votes represented by proxy in favour of the foregoing resolution unless the holder of Common Shares who has given such proxy has directed that the votes be otherwise cast.***

#### **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 concerning the Company is available at [www.sedarplus.ca](http://www.sedarplus.ca). Financial Information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2023.

Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company at Tel. (604) 893-8365 or by email at [info@fjordlandex.com](mailto:info@fjordlandex.com).

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"James Tuer"*

James Tuer  
President & CEO

## **SCHEDULE A**

# **FJORDLAND EXPLORATION INC. CORPORATE GOVERNANCE POLICIES**

- 1. Code of Business Conduct and Ethics**
- 2. Committee Charters**
  - a. Audit Committee**
  - b. Whistleblower Policy**

## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **I. INTRODUCTION**

We require high standards of professional and ethical conduct from our employees. Our reputation with our shareholders and prospective investors for honesty and integrity is key to the success of our business. No employee, contractor, or consultant will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

We intend that the Company's business practices will be compatible with the economic and social priorities of each location in which we operate. Although customs vary by country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activity. If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees, contractors, and consultants are expected to comply. Please read this Code carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and the spirit of our policies and applicable laws. This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, contractors, and consultants of the Company. This Code does not supersede the specific policies and procedures that are covered in the Company's operating manuals or in separate specific policy statements. References in this Code to the "Company" means the Company or any of its subsidiaries. Reference to "employees" includes officers, contractors, independent accounting contractors, and consultants.

Those who violate the standards set forth in this Code will be subject to disciplinary action up to and including dismissal. *If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section XVII below.*

Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

### **II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Compliance with the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. All employees must respect and obey the laws of the cities, provinces, states and countries in which we operate and avoid even the appearance of impropriety. Not all employees are expected to know the details of these laws, but it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The Company holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

### **III. CONFLICTS OF INTEREST**

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. A conflict situation can arise when an employee or director takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Company and any other organization in which you or any member of your family have an interest.

It may be perceived as a conflict of interest for an employee to work simultaneously for a competitor, customer or supplier. Therefore, working for a competitor, as a consultant or director, is discouraged by the Company. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors,

except on behalf of the Company. However, should you find yourself in a situation as such, you are expected to disclose the potential conflict of interest to both the Company, and the other party.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved by the Board of Directors or the Audit Committee. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests should be reported immediately to senior management or the Company's general legal counsel.

Given that the Directors are engaged in a wide range of activities, each Director or officer is required to disclose to the Company any interest in a material contract or transaction or proposed material contract or transaction with the Company or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Company. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Director who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his remuneration as a Trustee, one for indemnity under the Declaration of Trust or one for insurance

#### **IV. CORPORATE OPPORTUNITIES**

Employees and directors are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Employees and directors are also prohibited from competing with the Company directly or indirectly. Employees and directors owe a duty to the Company to advance the legitimate interests of the Company when the opportunity to do so arises.

#### **V. CONFIDENTIALITY**

Employees must maintain the confidentiality of information entrusted to them by the Company or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. Employees are required to execute a confidentiality agreement upon employment and from time to time during the course of employment. The obligation to preserve confidential information continues even after you leave the Company.

Confidential information includes all non-public information that may be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

#### **VI. PROTECTION AND PROPER USE OF COMPANY ASSETS**

All employees should endeavour to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Company assets, such as equipment, funds or computers, may only be used for legitimate business purposes or other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect Company assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information include intellectual property, such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, proprietary geological concepts, engineering and manufacturing ideas, designs, contact lists, databases, records, salary information and any unpublished geological, geophysical, geochemical, financial data or reports. Unauthorized use or distribution of this information is a violation of Company policy. It may also be illegal and may result in civil and criminal penalties. The obligation to preserve proprietary information continues even after you leave the Company.

**VII. INSIDER TRADING**

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the business of the Company. All material undisclosed information about the Company should be considered confidential. To use material undisclosed information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information, is not only unethical, but also illegal. Further reference can be made to the [TSX Venture Exchange Policy 3.1, Section 5.

**VIII. FAIR DEALING**

We seek to outperform our competition fairly and honestly and to acquire, explore and develop mineral projects in a fair and honest manner. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information obtained without the owner’s consent or inducing the disclosures of proprietary information or trade secrets by past or present employees of other companies is prohibited. Each employee should endeavor to deal fairly with the Company’s business associates, option partners, joint venture partners, suppliers, competitors and employees. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

**IX. DISCRIMINATION AND HARASSMENT**

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker’s conduct makes them uncomfortable, and to report harassment when it occurs.

**X. SAFETY AND HEALTH**

We are all responsible for maintaining a safe and healthy workplace by following safety and health rules and practices, and more specifically detailed in the Company’s Safety Manual/Field Guide and Fuel Spill Contingency Plan. The Company is committed to keeping its workplaces and project areas free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

In order to protect the safety of all employees, employees must report to work in condition to perform their duties and free from the influence of any substance that could prevent them from conducting work activities safely and effectively. The use of alcohol or illegal drugs in the workplace is prohibited. Likewise, employees are prohibited from being under the influence of alcohol or illegal drugs during the course of their duties.

**XI. RECORDKEEPING**

Honest and accurate recording and reporting of information is critical to our financial reporting and our ability to make responsible business decisions. The Company’s accounting records are relied upon to produce reports for the Company’s management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must truthfully and accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls.

All employees have a responsibility to ensure that the Company’s records, including accounting records, do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

All Company books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Company transactions and must conform to both applicable legal requirements and the system of internal controls of the Company. Unrecorded or “off the books” funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications may become public through legal or regulatory investigations or the media. Exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies must be avoided. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Company's records retention policy.

## **XII. USE OF E-MAIL AND INTERNET SERVICES**

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit material or jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Also remember that "flooding" our systems with junk mail and trivia hampers the ability of our systems to handle legitimate Company business and is prohibited.

Employees should not download copyrighted materials, should not copy material that is not licensed to the Company and should follow the terms of a licence when using material that is licensed to the Company. No changes should be made to licensed materials without the prior consent of the Company. In addition, employees are prohibited from downloading games and screensavers as these are common sources of viruses.

Your messages (including voice mail) and computer information are considered the Company's property and you should not have any expectation of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

## **XIII. POLITICAL ACTIVITIES AND CONTRIBUTIONS**

We respect and support the right of our employees to participate in political activities. However, these activities should not be conducted on Company time or involve the use of any Company resources such as telephones, computers or supplies. Employees will not be reimbursed for personal political contributions.

We may occasionally express our views on local and national issues that affect our operations. In such cases, Company funds and resources may be used, but only when permitted by law and by our strict guidelines. The Company may also make limited contributions to political parties or candidates in jurisdictions where it is legal and customary to do so. No employee may make or commit to political contributions on behalf of the Company without the approval of the Board of Directors.

## **XIV. GIFTS AND ENTERTAINMENT**

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise — or appear to compromise — our ability to make objective and fair business decisions.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times, and do not change during traditional gift-giving seasons. No gift or entertainment should ever be offered, given, provided or accepted by any director or employee of the Company, or by any family member of a director or employee, unless it:

- (a) is not a cash gift;
- (b) is consistent with customary business practices;
- (c) is not excessive in value;
- (d) cannot be construed as a bribe or payoff; and
- (e) does not violate any applicable laws or regulations.

Please discuss with your supervisor any gifts or proposed gifts if you are uncertain whether they are appropriate.

#### **XV. WAIVERS OF THIS CODE OF BUSINESS CONDUCT AND ETHICS**

Any waiver of this Code with respect to a director or officer of the Company may be made only by the Board of Directors or the Audit Committee. Any such waiver will be promptly disclosed to the extent required by applicable law or stock exchange regulation.

#### **XVI. REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR**

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Code. We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

#### **XVII. COMPLIANCE PROCEDURES**

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action.

Since we cannot anticipate every situation that may arise, it is important for the Company to set forth a general way to approach a new question or problem. These are the steps to keep in mind:

- *Make sure you have all of the facts.* In order to reach the right solutions, you must be as fully informed as possible.
- *Ask yourself what you are specifically being asked to do.* This analysis will enable you to focus on the specific issues that are raised and the available alternatives. Use your judgment and common sense. If something seems unethical or improper, it probably is.
- *Clarify your responsibility and role.* In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and to discuss the problem.
- *Discuss the problem with your supervisor.* This approach is best in most if not all situations. Your supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is a supervisor's responsibility to help you to solve problems.
- *Seek help from Company resources.* In the rare instance in which it may not be appropriate to discuss an issue with your supervisor, or in which you feel uncomfortable approaching your supervisor, discuss the problem with the Company's general legal counsel. If you prefer to write, address your concerns to the Company's general legal counsel or the President.
- *You may report ethical violations in confidence and without fear of retaliation.* If your situation requires that your identity be kept secret, the Company will protect your anonymity. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- *Ask first.* If you are unsure of the proper course of action, seek guidance before you act.

## **AUDIT COMMITTEE CHARTER**

### **PURPOSE OF THE COMMITTEE**

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Fjordland Exploration Inc. (the “Company”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

### **AUTHORITY AND RESPONSIBILITIES**

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

## **WHISTLEBLOWER POLICY**

### **General**

Fjordland Exploration Inc. (the "Company") requires its directors, officers and employees to observe high standards of professionalism and ethical conduct in maintaining the financial records of the Company. Pursuant to its Charter, the Audit Committee of the Board of Directors of the Company is responsible for reviewing (on a confidential basis if necessary) all complaints or submissions received from employees of the Company regarding accounting or auditing matters concerning the Company. In order to carry out its responsibilities under its Charter, the Audit Committee has adopted this Whistleblower Policy (the "Policy").

For the purposes of this Policy, all accounting or auditing matters which are the subject of a complaint or submission are referred to as an "Accounting Irregularity".

### **No Retaliation**

No officer or employee who in good faith reports an Accounting Irregularity shall suffer harassment, retaliation or adverse employment consequence. An officer or employee who retaliates against someone who has reported an Accounting Irregularity in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

### **Reporting Violations**

It is the responsibility of all directors, officers and employees to report all suspected Accounting Irregularities in accordance with this Whistleblower Policy. The Company maintains an open door policy and suggests that

employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. An employee's supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is the supervisor's responsibility to help you to solve the problem.

However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected Accounting Irregularities to the Company's Whistleblower, Peter Krag-Hansen, or to any member of the Audit Committee. Mr. Krag-Hansen's direct telephone line is (604) 657-2997. The Audit Committee has specific and exclusive responsibility to investigate all reported violations. For suspected fraud or securities law violations, or when you are not satisfied or uncomfortable with following the Company's open door policy, individuals should contact the Chairman of the Company or any member of the Company's Audit Committee directly. All complaints will be reported to the Audit Committee within five days of receipt.

### **Investigations of Complaints**

The Company's Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Accounting Irregularities. The Audit Committee may retain independent legal counsel, accountants or others to assist in its investigations.

### **Accounting and Auditing Matters**

Pursuant to its Charter, the Audit Committee is responsible for addressing all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The President is required to immediately notify the Audit Committee of any complaint of which he or she is aware and to work with the Committee until the matter is resolved.

### **Acting in Good Faith**

Anyone filing a complaint concerning a suspected Accounting Irregularity must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an Accounting Irregularity. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

### **Confidentiality**

Complaints or submissions concerning a suspected Accounting Irregularity may be submitted on a confidential basis by the complainant or may be submitted anonymously. All complaints or submissions will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

### **Handling of Reported Violations**

The Chair of the Audit Committee will notify the sender and acknowledge receipt of the reported suspected Accounting Irregularity within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The Company shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Audit Committee.

### **Privacy Violations**

In addition to these rules regarding accounting, internal accounting controls and auditing matters, recent privacy legislation, the *Personal Information Protection and Electronic Documents Act* (Canada) ("*PIPEDA*") and the *Personal Information Protection Act* (British Columbia) ("*PIPA*"), provide that any person who has reasonable grounds to believe that there has been a contravention of either of *PIPEDA* or *PIPA* may notify the relevant Privacy Commissioner.

An organization must not dismiss, suspend, discipline, harass or otherwise disadvantage an employee or deny an employee a benefit because the employee, acting in good faith and on the basis of reasonable belief, has disclosed to the Privacy Commissioner that the organization has contravened or is about to contravene either of *PIPEDA* or *PIPA*. Members of the public may lodge anonymous complaints to avoid the possibility of retaliation.

**SCHEDULE B**

**FJORDLAND EXPLORATION INC.**  
**(THE “CORPORATION”)**

**EQUITY INCENTIVE PLAN**  
**(10% rolling Security Based Compensation Plan)**

**May 8, 2024**

## PART 1 INTERPRETATION

### 1.1 Definitions

“**Affiliate**” has the meaning given in Exchange Policy 1.1.

“**Applicable Laws**” means all legal requirements relating to the administration of equity compensation plans, if any, under applicable corporate laws, any applicable provincial securities laws and the rules and regulations promulgated thereunder, the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to securities granted to residents therein.

“**Associate**” has the meaning given in Exchange Policy 1.1.

“**Award**” means any right granted under the Plan, including Options, DSUs, RSUs, PSUs, SARs and Stock Purchase Rights.

“**BCA**” means the *Business Corporations Act* (British Columbia).

“**Blackout Period**” means a period in which the trading of Shares or other securities of the Corporation is restricted pursuant to its internal trading policies, which has been formally imposed by the Corporation as a result of the bona fide existence of undisclosed material information; and which expires following the general disclosure of the undisclosed material information.

“**Board**” means the board of directors of the Corporation or a committee of the Board to which a responsibility or power has been delegated pursuant to section 12.1(b)(iv) hereto.

“**Cashless Exercise Right**” has the meaning given in section 3.9 of the Plan.

“**Change of Control**” means the occurrence and completion of any one or more of the following events:

- (a) the Corporation shall not be the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Corporation);
- (b) the Corporation shall sell or otherwise transfer, including by way of the grant of a leasehold interest or joint venture interest (or one or more subsidiaries of the Corporation shall sell or otherwise transfer, including without limitation by way of the grant of a leasehold interest or joint venture interest) property or assets (i) aggregating more than 50% of the consolidated assets (measured by either book value or fair market value) of the Corporation and its subsidiaries as at the date of disposition, or (ii) which currently generate or are expected to generate, more than 50% of the consolidated operating income or cash flow of the Corporation and its subsidiaries, to any other person or persons (other than one or more Designated Affiliates of the Corporation), in which case the Change of Control shall be deemed to occur on the date of transfer of the assets representing one dollar more than 50% of the consolidated assets in the case of clause (i) or 50% of the consolidated operating income or cash flow in the case of clause (ii), as the case may be;
- (c) the Corporation is to be dissolved and liquidated;
- (d) any person, entity or group of persons or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) of more than 50% of the Corporation’s outstanding voting securities; or
- (e) as a result of or in connection with: (i) a contested election of directors, or; (ii) a transaction referred to in subparagraph (a) above, the persons who were directors of the Corporation before such election or transaction shall cease to constitute a majority of the directors.

For the purposes of the foregoing, “voting securities” means Shares and any other shares entitled to vote for the election of directors and shall include any securities, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities.

“**Charitable Organization**” means “charitable organization” as defined in the Tax Act.

“**Charitable Stock Option**” means any Stock Option granted to an Eligible Charitable Organization.

“**Code**” means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding guidance thereunder.

“**Consultant**” means an individual (other than a Director, Officer or Employee of the Corporation or of any of its subsidiaries) or Consultant Company that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between the Corporation or any of its subsidiaries; 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 of any of its subsidiaries.

“**Consultant Company**” means a Consultant that is a corporation.

“**Corporation**” means Fjordland Exploration Inc., a company incorporated under the laws of British Columbia.

“**Deferred Payment Date**” for a Participant means the date after a Restricted Period which is the earlier of (i) the date which the Participant has elected to defer receipt of Shares under an RSU in accordance with section 4.4 of the Plan, and (ii) the Separation Date for that Participant.

“**Deferred Share Unit**” or “**DSU**” means a right granted to a Participant by the Corporation as compensation for employment or consulting services or services as a Director or Officer, to receive by way of a DSU Payment, for no additional cash consideration, securities of the Corporation on a deferred basis (which is typically after the earliest of the Retirement, termination of employment or death of the Participant), evidenced by a DSU Agreement.

“**Designated Affiliate**” means subsidiaries of the Corporation designated by the Board from time to time for purposes of the Plan.

“**Director**” means a director of the Corporation or an Affiliate.

“**Director Retirement**” in respect of a Participant, means the Participant ceasing to hold any directorships with the Corporation, any Designated Affiliate and any entity related to the Corporation for purposes of the Tax Act as a result of retirement in a manner or on such basis as acceptable to the Corporation.

“**Director Separation Date**” means the date that a Participant ceases to hold any directorships with the Corporation or any Designated Affiliate due to a Director Retirement or Director Termination and also ceases to serve as an Employee or Consultant with the Corporation, any Designated Affiliate or any entity related to the Corporation for the purposes of the Tax Act.

“**Director Termination**” means the removal of, resignation or failure to re-elect the Director (excluding a Director Retirement) as a director of the Corporation, a Designated Affiliate and any entity related to the Corporation for purposes of the Tax Act.

“**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity.

“**Discounted Market Price**” has the meaning ascribed in Exchange Policy 1.1, as clarified in Exchange Policy 4.4.

**“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a duly called general meeting or by a signed consent resolution evidencing that the majority of the shareholders are in favour of a proposal, excluding votes attaching to securities beneficially owned by persons to whom Options may be granted pursuant to the Plan and their Associates and, for purposes of the Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.

**“DRS”** means Direct Registration System.

**“DSU Agreement”** means a written confirmation or agreement, in such form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf), setting out the terms and conditions relating to a Deferred Share Unit and entered into in accordance with section 5.2 of the Plan.

**“DSU Payment”** means, subject to any adjustment in accordance with section 5.4 of the Plan, the issuance to a Participant of one previously unissued Share for each whole DSU credited to such Participant.

**“Effective Date”** means May 11, 2022, being the date upon which the Plan was adopted by the Board.

**“Eligible Charitable Organization”** means: (i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or (ii) a Registered National Arts Service Organization (as all of such terms are defined in the Tax Act).

**“Employee”** means a person (who may be an Officer or Director) who is:

- (a) an individual who is considered an employee of the Corporation or of its subsidiary under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source,

whether or not they have a written employment contract with the Corporation or a subsidiary, determined by the Board as employees eligible for participation in the Plan. Employees also include Service Providers eligible for participation in the Plan as determined by the Board.

**“Exchange”** means the TSX Venture Exchange, or any successor entity, which is the principal stock exchange on which the Shares are listed for trading.

**“Exchange Policies”** mean the policies contained in the Exchange’s Corporate Finance Manual, as amended from time to time.

**“Exercise Value”** has the meaning given in section 7.1 of the Plan.

**“Fair Market Value”** with respect to Shares as of any date, means the closing market price of the Shares on the trading day prior to such date, and for the purposes of establishing the exercise price per Share of any Option, or the value of any Share underlying a RSU, DSU or PSU on the grant date, the Fair Market Value means the closing market price of the Shares on the trading day prior to the date of grant of the applicable Award.

**“Insider”** means (a) a Director or senior Officer of the Corporation, (b) a director or senior officer of a company that is an Insider or subsidiary of the Corporation; or (c) a Person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares.

**“Investor Relations Activities”** has the meaning ascribed in Exchange Policy 1.1.

**“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.

**“Issued Shares”** means the number of Shares of the Corporation that are issued and outstanding on a non-diluted basis at a particular point in time.

**“Management Company Employee”** means an individual employed by a company providing management services to the Corporation, which services are required for the ongoing operation of the business enterprise of the Corporation.

**“Multiplier(s)”** means the factor(s) by which a Participant’s PSUs may be multiplied, as determined by the Board and set out in the applicable PSU Agreement, commonly based on performance measures.

**“Net Exercise Right”** has the meaning ascribed to it in section 3.8.

**“Normal Course Issuer Bid”** has the meaning ascribed to it in TSXV Policy 5.6 *Normal Course Issuer Bids*.

**“Officer”** means any of the Corporation’s chief executive officer, chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any other person routinely performing corresponding functions and/or policy making functions with respect to the Corporation or its subsidiaries, and includes a Management Company Employee that provides the services of an Officer.

**“Option Period”** means the period during which a Stock Option is outstanding.

**“Option Shares”** has the meaning given in section 3.8 of the Plan.

**“Optionee”** means a Participant to whom a Stock Option has been granted under the Plan.

**“Participant”** means a Director, Officer, Employee, Management Company Employee, Consultant, Consultant Company, or Eligible Charitable Organization that is the recipient of an Award granted or issued by the Corporation.

**“Performance Period”** means the period provided for in section 6.3 of the Plan.

**“Performance Share Unit”** or **“PSU”** means a right granted to a Participant by the Corporation as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Corporation upon specified vesting criteria being satisfied (which are typically performance based) and which may provide that, upon vesting, the award may be paid in cash and/or Shares; represented by a PSU Agreement evidencing the right of such Participant to receive the value of one Share at the time of payment, multiplied by any applicable Multiplier(s).

**“Person”** means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities, such syndicate or group shall be deemed to be a Person.

**“Plan”** means this equity incentive plan, as it may be amended and restated from time to time.

**“PSU Agreement”** means a written confirmation or agreement, in such form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf), setting out the terms and conditions relating to a Performance Share Unit and entered into in accordance with section 6.1 of the Plan.

**“Restricted Period”** means any period of time that a Restricted Share Unit is not vested and the Participant holding such Restricted Share Unit remains ineligible to receive the relevant Shares, determined by the Board in its absolute discretion; however, such period of time may be reduced or eliminated from time to time and at any time (subject to being not less than 12 months) and for any reason as determined by the Board, including, but not limited to, circumstances involving the death or disability of a Participant.

**“Restricted Share Unit”** or **“RSU”** means a right granted to a Participant as compensation for employment or consulting services or services as a Director or Officer, to receive, for no additional cash consideration, securities of the Corporation upon specified vesting criteria being satisfied (which are typically time based) and which may

provide that, upon vesting, the award may be paid in cash and/or Shares, represented by an RSU Agreement evidencing the right of such Participant to receive the value of one Share at the time of payment.

“**Retirement**” in respect of an Employee or Officer, means ceasing to hold any employment or engagement with the Corporation or any Designated Affiliate as a result of retirement in a manner or on such basis as acceptable to the Corporation.

“**RSU Agreement**” means a written confirmation or agreement, in such form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf), setting out the terms and conditions relating to a Restricted Share Unit and entered into in accordance with section 4.2 of the Plan.

“**SAR**” or “**Stock Appreciation Right**” means a right granted to a Participant as compensation for employment or consulting services or services as a Director or Officer, to receive cash and/or Listed Shares of the Corporation based wholly or in part on appreciation in the trading price of the Corporation’s Shares.

“**Separation Date**” means the date that a Participant ceases to be eligible to be a Participant under the Plan.

“**Service Agreement**” means any written agreement between a Participant and the Corporation or any subsidiary of the Corporation (as applicable), in connection with that Participant’s employment, service or engagement as a Director, Officer, Employee or Consultant or the termination thereof, as amended, replaced or restated from time to time.

“**Service Provider**” means any person or company engaged by the Corporation or a Designated Affiliate to provide services for an initial, renewable or extended period of 12 months or more.

“**Shareholder**” means a holder of Shares.

“**Shares**” means the common shares of the Corporation.

“**Specified Employee**” means a U.S. Taxpayer who meets the definition of “specified employee”, as defined in Section 409A(a)(2)(B)(i) of the Code.

“**Stock Option**” or “**Option**” means a right granted to a Participant to acquire Shares at a specified price for a specified period of time.

“**Stock Option Agreement**” means a written certificate, confirmation or agreement, in such form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf), setting out the terms and conditions relating to a Stock Option and entered into in accordance with Part 3.

“**Stock Purchase Right**” means the provision by the Corporation of financial assistance or pursuant to which a Participant is allowed to purchase securities of the Corporation (often at a discount to Fair Market Value), or pursuant to which the Participant is entitled to receive additional securities of the Corporation upon subscribing for a pre-established number of Shares, which securities may be issued from the treasury or purchased on the secondary market.

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time.

“**Termination**” means the termination of the employment or engagement (or consulting services) of an Employee or Officer with or without cause by the Corporation or a Designated Affiliate or the cessation of employment or engagement (or consulting services) of the Employee or Officer with the Corporation or a Designated Affiliate as a result of resignation or otherwise, other than as a Retirement.

“**U.S. Taxpayer**” means a Participant who is a U.S. citizen, U.S. permanent resident or other person who is subject to taxation on their income under the Code.

“**VWAP**” means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the applicable date, excluding (where required by the Exchange) internal crosses and certain other special trades.

## 1.2 Interpretation

- (a) The Plan shall be governed, construed and administered solely in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (b) Whenever the Board (or Board committee, as the case may be) is to exercise discretion in the administration of the terms and conditions of the Plan, the term “**discretion**” means the sole and absolute discretion of the Board (or Board committee, as the case may be).
- (c) Where the word “**including**” or “**includes**” is used in the Plan, it means “including (or includes) without limitation”.
- (d) Words importing the singular include the plural and vice versa, and words importing any gender include any other gender.

Unless otherwise specified, all monetary references are to Canadian dollars.

## PART 2 PURPOSE

### 2.1 Establishment of the Plan

The Corporation hereby establishes the Plan to govern the grant, administration and exercise of security based compensation which may be granted to eligible Participants. The maximum number of Shares issuable under the Plan shall not exceed 10% of the number of Issued Shares as of the date of each grant hereunder, inclusive of all Shares then reserved for issuance pursuant to previously granted stock options or security based compensation plans.

### 2.2 Principal Purposes

The principal purposes of the Plan are to provide the Corporation with the advantages of the incentive inherent in share ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract new Directors, Officers, Employees and Consultants to the Corporation.

### 2.3 Available Awards

Awards that may be granted under the Plan include Options, Deferred Share Units, Restricted Share Units, Performance Share Units, Share Appreciation Rights and Stock Purchase Rights.

## PART 3 STOCK OPTIONS

### 3.1 Participation

The Corporation may from time to time grant Stock Options pursuant to and in accordance with the Plan.

### 3.2 Price

The exercise price per Share of any Stock Option shall be not less than the Discounted Market Price. If the Corporation does not issue a news release to announce the grant and the exercise price of a Stock Option, the Discounted Market Price will be the last closing price of the Corporation’s Shares before the date of grant of the Stock Option less the applicable allowable discount. The exercise price cannot be established unless the Stock Options are allocated to one or more particular Participants.

### 3.3 Grant of Options

The Board may at any time authorize the granting of Options to such Directors, Officers, Employees, Management Company Employees, Consultants, Consultant Companies, and/or Eligible Charitable Organizations as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of grant of an Option

shall be the date such grant was approved by the Board. The grant of an Option to, and acceptance of the Option by, an Employee, Management Company Employee or Consultant will be confirmation by the Corporation and the Participant that the Participant is a bona fide Employee, Management Company Employee or Consultant (as the case may be).

Each Option granted to a Participant shall be evidenced by a Stock Option Agreement with terms and conditions consistent with the Plan and as approved by the Board (and in all cases which terms and conditions need not be the same in each case, and may be changed from time to time subject to any required approval of Disinterested Shareholders and the Exchange).

### 3.4 Terms of Options

The Option Period shall be for such term as the Board may determine at the date of grant, provided that:

- (a) Stock Options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a Blackout Period);
- (b) the term may thereafter be reduced with respect to any such Option as provided for herein regarding termination of employment/engagement or death of the Optionee; and
- (c) should the expiry date of the Option Period in respect of any outstanding Option occur during a Blackout Period, the expiry date of such Option Period shall be deemed to be the date that is the tenth business day following the expiry of the Blackout Period provided that the automatic extension of an Option will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under Applicable Laws) in respect of the Corporation's securities.

### 3.5 Vesting

Unless otherwise determined by the Board at the time of grant, Options shall vest and may be exercised (in each case to the nearest full Share) during the Option Period as follows:

- (a) no more than 1/4 of the Stock Options vest no sooner than three months after the Stock Options were granted;
- (b) no more than another 1/4 of the Stock Options vest no sooner than six months after the Stock Options were granted;
- (c) no more than another 1/4 of the Stock Options vest no sooner than nine months after the Stock Options were granted; and
- (d) the remainder of the Stock Options vest no sooner than 12 months after the Stock Options were granted.

### 3.6 Other Restrictions

The exercise of any Option will be contingent upon the Optionee having entered into a Stock Option Agreement with the Corporation on such terms and conditions as have been approved by the Board and which incorporates by reference the terms of the Plan. The exercise of any Option will, subject to sections 3.8 and 3.9 of the Plan, also be contingent upon receipt by the Corporation of cash payment of the full purchase price of the Shares being purchased.

### 3.7 Exercise of Options

Subject to section 3.10 of the Plan, and subject to any limitations or conditions imposed upon an Optionee pursuant to the Stock Option Agreement or the Plan, an Optionee may exercise an Option, prior to the expiry date thereof, by giving written notice thereof to the Corporation at its principal place of business or as otherwise indicated by the Corporation in writing. Subject to sections 3.8, and 3.9 of the Plan, the said notice shall be accompanied by full payment of the Option Price to the extent the Option is so exercised, and full payment of any amounts the Corporation determines must be withheld for tax purposes from the Optionee pursuant to the Stock Option Agreement. Such payment shall be in lawful money in the currency as stated in the Stock Option Agreement (or, if not so stated, in Canadian dollars), in cash or by wire transfer or certified cheque. As soon as practicable after exercise of an Option in accordance herewith, the Corporation shall issue a certificate or DRS statement evidencing

the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

### 3.8 Net Exercise Right

Subject to the final paragraph of this section 3.8, Participants, other than Investor Relations Service Providers, have the right to request in writing delivered to the Corporation (the “**Net Exercise Right**”) the termination of an Option, in whole or in part, and, in lieu of receiving the Shares (the “**Option Shares**”) to which such terminated Option relates, to receive the number of Shares, disregarding fractions, which is equal to the quotient obtained by:

- (a) subtracting the applicable Option exercise price per Share from the VWAP per Share on the business day immediately prior to the exercise of the Net Exercise Right and multiplying the remainder by the number of Option Shares; and
- (b) dividing the product obtained under section 3.8(a) of the Plan by the VWAP per Share on the business day immediately prior to the exercise of the Net Exercise Right.

A Net Exercise Right is exercisable only to the extent and on the same conditions that the related Option is exercisable under the Plan.

Exercise of an Option by use of the Net Exercise Right, in each instance, is conditional upon consent of the Corporation, and the Board will not be obliged to allow for use of the Net Exercise Right or to provide reasons for not allowing use thereof.

### 3.9 Cashless Exercise Right

Subject to the final paragraph of this section 3.9, Participants have the right (the “**Cashless Exercise Right**”), by notice in writing delivered by the Participant to the Corporation, to elect to exercise the Cashless Exercise Right in connection with the exercise of Options and thereupon the brokerage firm with which the Corporation has an arrangement will (i) loan the applicable sum of money to the Participant in order to purchase the Shares underlying the Options being exercised (such funds being delivered by the brokerage firm to the Corporation), and (ii) sell a sufficient number of the Shares issued upon exercise of the Options in order to repay its loan made to the Participant (which Shares shall be delivered by the Corporation to the brokerage firm). The Corporation will, as soon as practicable thereafter, deliver to the Participant the balance, if any, of the Shares relating to the exercised Options.

If a Participant exercises a Cash Exercise Right in connection with an Option, it is exercisable only to the extent and on the same conditions that the related Option is exercisable under the Plan.

Exercise of an Option by use of the Cashless Exercise Right, in each instance, is conditional upon consent of the Corporation, and the Board will not be obliged to allow for use of the Cashless Exercise Right or to provide reasons for not allowing use thereof.

### 3.10 Effect of Termination of Employment or Death

If an Optionee:

- (a) dies while employed or engaged by, or while a director of, the Corporation or a Designated Affiliate, any Option held by him or her at the date of death which is then eligible to be exercised shall become exercisable in whole or in part, but only by the person or persons to whom the Optionee’s rights under the Option shall pass by the Optionee’s will or applicable laws of descent and distribution. Unless otherwise determined by the Board, all such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner;
- (b) ceases to be employed or engaged by, or a director of, the Corporation or a Designated Affiliate, for cause, no Option held by such Optionee will, unless otherwise determined by the Board, be exercisable following the date on which such Optionee ceases to be so engaged; or

- (c) ceases to be employed or engaged by, or a director of, the Corporation or a Designated Affiliate, for any reason other than cause then, unless otherwise determined by the Board, any Option held by such Optionee which was then eligible to be exercised at the effective date thereof shall become exercisable for a period of 90 days thereafter or prior to the expiration of the Option Period in respect thereof, whichever is sooner.

### 3.11 Effect of Amalgamation or Merger

If the Corporation amalgamates or otherwise completes a plan of arrangement or merges with or into another corporation, any Shares receivable on the exercise of an Option shall be adjusted, subject to receipt of any required Exchange approval, to give the Participant the ability to acquire, upon exercise of the Option, including payment, the securities, property or cash which the Participant would have received upon such amalgamation, arrangement or merger if the Participant had exercised the Option immediately prior to the record date applicable to such amalgamation, arrangement or merger, and the option price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan. No acceleration of the vesting provisions of Stock Options granted to Investor Relations Service Providers is permitted without prior Exchange acceptance.

### 3.12 Amendments

Disinterested Shareholder approval must be obtained for any reduction in the exercise price of a Stock Option, or the extension of the term of a Stock Option, if the Participant is an Insider of the Corporation at the time of the proposed amendment.

## PART 4 RESTRICTED SHARE RIGHTS

### 4.1 Participants

The Corporation has the right to grant, in its sole and absolute discretion, to any Participant, rights to receive any number of fully paid and non-assessable Shares (“**Restricted Share Units**”) as a discretionary payment in consideration of past services to the Corporation or as an incentive for future services, subject to the Plan and with such additional provisions and restrictions as the Board may determine. For purposes of calculating the number of Restricted Share Units to be granted, the Corporation shall be obligated to value the Shares underlying such RSUs at not less than the Fair Market Value. The grant of a RSU to, and acceptance of the RSU by, an Employee, Management Company Employee or Consultant will be confirmation by the Corporation and the Participant that the Participant is a bona fide Employee, Management Company Employee or Consultant (as the case may be).

### 4.2 RSU Agreement

Each grant of a RSU under the Plan shall be evidenced by a RSU Agreement between the Participant and the Corporation. Such RSU Agreement shall be subject to all applicable terms and conditions of the 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 the Plan and which the Board deems appropriate for inclusion in a RSU Agreement. The provisions of the various RSU Agreements issued under the Plan need not be identical.

### 4.3 Restricted Period

Concurrent with the determination to grant RSUs to a Participant, the Board shall determine the Restricted Period applicable to such RSUs, which in any event will not be less than 12 months. In addition, at the sole discretion of the Board, at the time of grant, the RSUs may be subject to performance conditions to be achieved by the Corporation or a class of Participants or by a particular Participant on an individual basis, within a Restricted Period, for such RSUs to entitle the holder thereof to receive the underlying Shares. Upon expiry of the applicable Restricted Period (or on the Deferred Payment Date, as applicable) and upon satisfaction of any performance criteria or other terms set out in the RSU Agreement, a RSU shall be automatically settled, and without the payment of additional consideration or any other further action on the part of the holder of the RSU, the underlying Shares shall be issued to the holder of such RSUs, which RSUs shall then be cancelled.

### 4.4 Deferred Payment Date

Participants who are residents of Canada for the purposes of the Tax Act (and for greater certainty, who are not U.S. Taxpayers), may elect to defer to receive all or any part of the Shares underlying Restricted Share Units until one or more Deferred Payment Dates. No other Participants may elect a Deferred Payment Date. Participants who elect to

set a Deferred Payment Date must, in respect of each such Deferred Payment Date, give the Corporation written notice of the Deferred Payment Date(s) not later than 30 days prior to the expiration of the applicable Restricted Period (or such lesser period of time as the Board may approve).

#### 4.5 Retirement or Termination during Restricted Period

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of a Participant from all such roles with the Corporation during the Restricted Period, any Restricted Share Units held by the Participant shall immediately terminate and be of no further force or effect; provided, however, that the Board shall have the absolute discretion to modify the grant of the Restricted Share Units to provide that the Restricted Period shall terminate immediately prior to the date of such occurrence.

#### 4.6 Retirement or Termination after Restricted Period

In the event and to the extent of the Retirement or Termination and/or, as applicable, the Director Retirement or Director Termination of the Participant from all such roles with the Corporation following the Restricted Period and prior to a Deferred Payment Date, the Participant shall be entitled to receive, and the Corporation shall issue forthwith, Shares in satisfaction of the Restricted Share Units then held by the Participant.

#### 4.7 Acceleration of Vesting

Notwithstanding sections 4.5 and 4.6 of the Plan, in the event of the death of a Participant, Shares represented by RSUs held by the Participant, calculated on a *pro-rata* basis as to the number of days passed under the vesting restrictions, shall then be immediately issued by the Corporation to the legal representative of the Participant.

#### 4.8 Payment of Dividends

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Corporation on its Shares, a Participant may be credited with additional Restricted Share Units. The number of such additional RSUs, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the RSUs (including RSUs in which the Restricted Period has expired but the Shares have not been issued due to a Deferred Payment Date) in the Participant's account on the dividend record date had been outstanding Shares (and the Participant held no other Shares) by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

## PART 5 DEFERRED SHARE UNITS

### 5.1 Deferred Share Unit Grants

The Board may from time to time determine to grant Deferred Share Units to one or more Directors in a lump sum amount or on regular intervals, based on such formulas or criteria as the Board may from time to time determine. DSUs will be credited to the Director's account when designated by the Board. For purposes of calculating the number of DSUs to be granted, the Corporation shall be obligated to value the Shares underlying such Deferred Share Units at not less than the Fair Market Value. In no event will a DSU vest or be redeemable or contemplate a Separation Date of less than 12 months from the date of grant. The grant of a DSU to, and acceptance of the DSU by, an Employee, Management Company Employee or Consultant will be confirmation by the Corporation and the Participant that the Participant is a bona fide Employee, Management Company Employee or Consultant (as the case may be).

### 5.2 DSU Agreement

Each grant of a DSU under the Plan shall be evidenced by a DSU Agreement. Such DSU Agreement shall be subject to all applicable terms and conditions of the 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 the Plan and which the Board deems appropriate for inclusion in a DSU Agreement. The provisions of each DSU Agreement issued under the Plan need not be identical.

### 5.3 Redemption of Deferred Share Units and Issuance of Deferred Shares

The DSUs held by each Director who is not a U.S. Taxpayer shall be redeemed automatically and with no further action by the Director on the 20<sup>th</sup> business day following the Separation Date for that Director. For U.S. Taxpayers,

DSUs held by a Director who is a Specified Employee will be automatically redeemed with no further action by the Director on the date that is six months following the Separation Date for the Director, or if earlier, upon such Director's death. Upon redemption, the former Director shall be entitled to receive and the Corporation shall issue, the number of Shares issued from treasury equal to the number of DSUs in the Director's account, subject to any applicable deductions and withholdings. In the event a Separation Date, including by death of the Director, occurs during a year and Deferred Share Units have been granted to such Director for that entire year, the Director will only be entitled to a pro-rated Deferred Share Unit Payment in respect of such Deferred Share Units based on the number of days that he or she was a Director in such year. Notwithstanding the foregoing, no Shares may be issued on redemption of DSUs before the first anniversary of the date of grant of the DSUs except in the event of the death of the Director.

No amount will be paid to, or in respect of, a Director under the Plan or pursuant to any other arrangement, and no other additional DSUs will be granted to compensate for a downward fluctuation in the value of the Shares of the Corporation nor will any other benefit be conferred upon, or in respect of, a Director for such purpose.

#### **5.4 Payment of Dividends**

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Corporation on its Shares, a Director may be credited with additional Deferred Share Units. The number of such additional Deferred Share Units, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Director if the Deferred Share Units in the Director's account on the dividend record date had been outstanding Shares (and the Director held no other Shares), by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

### **PART 6 PERFORMANCE SHARE UNITS**

#### **6.1 Performance Share Units**

The Board may from time to time determine to grant Performance Share Units to one or more Participants with the specific terms and conditions thereof to be as provided in the Plan and in the PSU Agreement entered into in respect of such grant. The PSU Agreement in respect of the PSUs granted will set out, at a minimum, the number of PSUs granted, the Performance Period, the performance-based criteria and any Multiplier(s). Subject to the provisions of this Part 6, each PSU awarded to a Participant for services performed during the year in which the PSU is granted shall entitle the Participant to receive payment in an amount equal to the Fair Market Value on the day immediately prior to the last day of the applicable Performance Period multiplied by the applicable Multiplier(s), to be determined on the last day of the Performance Period. In no event will a PSU vest or be redeemable or contemplate a Separation Date of less than 12 months from the date of grant. The grant of a PSU to, and acceptance of the PSU by, an Employee, Management Company Employee or Consultant will be confirmation by the Corporation and the Participant that the Participant is a bona fide Employee, Management Company Employee or Consultant (as the case may be).

#### **6.2 Distributions**

The Board, in its sole discretion, may determine that if and when distributions are paid on any Shares, additional PSUs shall be credited to the Participant as of such distribution payment date. The number of additional PSUs (including fractional PSUs) to be credited to the Participant shall be determined by dividing the dollar amount of the distribution payable in respect of the Shares underlying the Performance Share Units by the Fair Market Value on the date the distribution is paid. Fractional PSUs to two decimal places shall be credited to the Participant. For greater certainty, the Performance Period and Multiplier(s), if any, shall be the same as the Performance Period and Multiplier(s), if any, for the Performance Share Units.

#### **6.3 Performance Period**

Subject to sections 6.5 and 6.6 of the Plan, which could result in shortening any such period, the Performance Period in respect of a particular award shall be at least one year from the date of grant of the applicable Performance Share Unit, provided that the Board may, in its sole discretion, determine the Performance Period to be greater than one year, to a maximum of three years from the date of grant of the applicable Performance Share Unit.

#### **6.4 Performance-Based Criteria and Multipliers**

The Board may establish performance-based criteria which, if met by the Corporation, will entitle the Participant to be paid an amount in excess of or less than the Fair Market Value of one Share for each PSU at the end of the

applicable Performance Period. The Board, in its sole discretion, may waive the performance-based criteria if the Board determines there were material unusual circumstances that occurred during the Performance Period (as an example only, if take-over speculation significantly affects the Fair Market Value at the end of the Performance Period).

#### 6.5 Retirement or Termination During Performance Period

If a Participant ceases to be an Employee or Director, as applicable, during the Performance Period because of Retirement or Termination of the Participant, all PSUs previously awarded to the Participant shall be forfeited and cease to be credited to the Participant on the date of the Retirement or Termination, as the case may be; however, the Board shall have the absolute discretion to modify the grant of the PSUs to provide that the Performance Period would end at the end of the calendar quarter immediately before the date of the Retirement or Termination, as the case may be, provided that such accelerated date may not be less than one year after the date of grant of the PSU, and the amount payable to the Participant shall be calculated as of such date.

#### 6.6 Death or Disability

In the event of the death of a Participant during the Performance Period, the Performance Period shall be deemed to end at the end of the calendar quarter immediately before the date of death of the Participant and the amount payable to the Participant's executors shall be calculated as of such date.

#### 6.7 Payment to Participants

Subject to the terms of the Plan, the Board, in its sole discretion, may pay earned PSUs in the form of cash or in Shares issued from treasury (or in a combination thereof) equal to the value of the PSUs at the end of the applicable Performance Period. The determination of the Board with respect to the form of payout of such PSUs shall be set out in the Performance Share Unit Agreement for the grant of the PSU or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than 10 weeks after the end of the year in which such conditions or restrictions were satisfied or lapsed.

#### 6.8 Payment of Dividends

Subject to the absolute discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Corporation on the Shares, a Participant may be credited with additional PSUs. The number of such additional PSUs, if any, will be calculated by dividing (a) the total amount of the dividends that would have been paid to the Participant if the PSUs in his or her account on the dividend record date had been outstanding Shares (and the Participant held no other Shares), by (b) the Fair Market Value of the Shares on the date on which such dividends were paid.

## PART 7 STOCK APPRECIATION RIGHTS

#### 7.1 Grant of SARs

The Corporation may from time to time grant Stock Appreciation Rights to Participants pursuant to the Plan whereby Participants will have the right to receive Shares, a cash payment, or any combination thereof, from the Corporation in an amount equal to the number of SARs granted multiplied by the difference between the Fair Market Value of a Share at the Exercise Date (as defined below) over the Base Price fixed by the Board (the "**Exercise Value**"). The grant of a SAR to, and acceptance of the SAR Option by, an Employee, Management Company Employee or Consultant will be confirmation by the Corporation and the Participant that the Participant is a bona fide Employee, Management Company Employee or Consultant (as the case may be).

#### 7.2 Base Price

The Base Price per Share of any SAR shall be not less than the Fair Market Value at the time of grant.

#### 7.3 Grant of SARs

The Board may at any time authorize the granting of SARs to such Participants as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of grant of a SAR shall be the date such grant was approved by the Board.

Each SAR granted to a Participant shall be evidenced by a Stock Appreciation Right Agreement with terms and conditions consistent with the Plan and as approved by the Board and which incorporates by reference the terms of the Plan (and in all cases which terms and conditions need not be the same in each case, and may be changed from time to time subject to any required approval of Disinterested Shareholders and the Exchange).

#### 7.4 Terms of SARs

The term of each SAR shall be for such term as the Board may determine at the date of grant, provided that:

- (a) SARs can be exercisable for a maximum of 10 years from the date of grant; and
- (b) the term may thereafter be reduced with respect to any such SAR as provided for herein regarding termination of employment / engagement or death of the Participant.

#### 7.5 Vesting

SARs shall vest and may be exercised (in each case to the nearest full Share) during the term in the manner determined by the Board at the time of grant, provided that the minimum vesting period shall be 12 months.

#### 7.6 Other Restrictions

Except as provided in section 7.9 of the Plan, no SAR may be exercised unless the Participant is at the time of such exercise:

- (a) in the case of an Employee or Officer, engaged or in the employ (or retained as a Service Provider) of the Corporation or a Designated Affiliate and shall have been continuously so engaged, employed or retained since the grant of the SAR; or
- (b) in the case of a Director, a director of the Corporation or a Designated Affiliate and shall have been such a Director, Officer, Employee or Consultant continuously since the grant of the SAR.

#### 7.7 Exercise of SARs

Subject to any limitations or conditions imposed upon a Participant pursuant to a Stock Appreciation Rights Agreement or the Plan, a Participant may exercise an SAR, prior to the expiry date thereof, by giving written notice thereof to the Corporation at its principal place of business specifying the number of vested SARs being exercised and the date on which such exercise is to be effective (the “**Exercise Date**”). As soon as practicable after exercise of a SAR in accordance herewith, the Corporation shall pay the Participant an amount equal to the product of (i) the number of vested SARs exercised, multiplied by (ii) the Exercise Value. Such payment will be made, in the Board’s discretion, in (a) cash, (b) Shares with a Fair Market Value equal to the amount of the payment, or (c) a combination of cash and Shares.

#### 7.8 Transferability of SARs

SARs granted hereby shall not be transferable other than upon the death or disablement of the Participant as follows:

- (a) During the Participant’s lifetime, all SARs shall be exercisable only by the Participant or by the legal guardian of a disabled Participant.
- (b) A Participant shall have the right, by notice to the Corporation, to designate a beneficiary who shall be entitled to exercise the Participant’s SARs (subject to their terms and conditions) following the Participant’s death, and to whom any amounts payable following the Participant’s death shall be paid.

#### 7.9 Effect of Termination of Employment or Death

If the holder of a SAR:

- (a) dies while employed or engaged by, or while a Director of, the Corporation or a Designated Affiliate, any SAR held by him or her at the date of death which is then eligible to be exercised shall become exercisable in whole or in part, but only by the person or persons designated under section 7.8(b) above, or to whom the Participant’s rights under the SAR shall pass by the Participant’s will or applicable laws of descent and distribution. Unless otherwise determined by the Board, all such SARs shall be exercisable only to the extent that the Participant was entitled to exercise the SARs at the date of his or her death and only for 12 months after the date of death or prior to the expiration of the term in respect thereof, whichever is sooner;
- (b) ceases to be employed or engaged by, or a Director of, the Corporation or a Designated Affiliate, for cause,

no SAR held by such Participant will, unless otherwise determined by the Board, be exercisable following the date on which such Participant ceases to be so engaged; or

- (c) ceases to be employed or engaged by, or a Director of, the Corporation or a Designated Affiliate, for any reason other than cause then, unless otherwise determined by the Board, any SAR held by such Participant which was then eligible to be exercised at the effective date thereof shall become exercisable for a period of up to 90 days thereafter or prior to the expiration of the term in respect thereof, whichever is sooner.

#### **7.10 Effect of Amalgamation or Merger**

If the Corporation amalgamates or otherwise completes a plan of arrangement or merges with or into another corporation, any payment receivable on the exercise of an SAR shall be adjusted to give the Participant the ability to receive the same which the Participant would have received upon completion of such amalgamation, arrangement or merger using as the Fair Market Value of a Share the amount equal to the deemed price under such amalgamation, arrangement or merger.

#### **7.11 Amendments**

Disinterested Shareholder approval must be obtained for any reduction in the Base Price of a SAR, or the extension of the term of a SAR, if the Participant is an Insider of the Corporation at the time of the proposed amendment.

## **PART 8 STOCK PURCHASE RIGHTS**

### **8.1 Types of Stock Purchase Rights**

The Corporation may, subject to the prior receipt of Exchange acceptance pursuant to section 6.5 of Exchange Policy 4.4, give assistance to a Participant to enable the Participant to acquire Shares by way of (i) financial guarantee for a loan, (ii) third party security for a loan, (iii) a gift or loan from the Corporation, (iv) offering Shares at a discount to Fair Market Value, (v) issuing additional Shares upon the Participant subscribing for a pre-established number of Shares, which Shares may be issued from the treasury or purchased on the secondary market, or (iv) any other act which facilitates the purchase by a Participant of Shares. Purchases of Shares on the secondary market are subject to compliance with section 4.14 of Exchange Policy 4.4, including the requirement for such purchases to be made by a trustee.

### **8.2 Limitations**

The Corporation shall not provide Stock Purchase Rights that could materially prejudice the interests of the Corporation or its shareholders, or if the assistance would affect the Corporation's ability to pay its creditors.

### **8.3 Grant of Rights**

The Board may at any time authorize the granting of Stock Purchase Rights to such Participants as it may select for the dollar amount or number of Shares that it shall designate, subject to the provisions of the Plan. The date of grant of a SAR shall be the date such grant was approved by the Board.

Each Stock Purchase Right granted to a Participant shall be evidenced by an agreement of applicable nature with terms and conditions consistent with the Plan and as approved by the Board and which incorporates by reference the terms of the Plan (and in all cases which terms and conditions need not be the same in each case, and may be changed from time to time subject to any required approval of Disinterested Shareholders and the Exchange).

## **PART 9 WITHHOLDING TAXES**

### **9.1 Withholding Taxes**

Subject to Exchange Policy 4.4, the Corporation or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Corporation or any

Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Award including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of any Shares to be issued under the Plan, until such time as the Participant has paid the Corporation or any Designated Affiliate for any amount which the Corporation or Designated Affiliate is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Board may adopt administrative rules under the Plan, which provide for the automatic sale of Shares (or a portion thereof) in the market upon the issuance of such Shares under the Plan on behalf of the Participant to satisfy withholding obligations under an Award.

## **PART 10 CHANGE OF CONTROL**

### **10.1 Change of Control.**

Unless otherwise determined by the Board, or unless otherwise provided in a Participant's Service Agreement or Award Agreement, if a Change of Control shall conclusively be deemed to be imminent, or to have occurred, then the Board shall have the discretion, without the prior approval of the Participants but subject to any required approval of the Exchange, to any one or more of the following:

- (a) determine that there shall be immediate full vesting of each outstanding Award granted, subject to, which may be exercised and settled, in whole or in part, even if such Award is not otherwise exercisable or vested by its terms;
- (b) terminate without any payment or consideration, any Awards not exercised, settled or surrendered by the effective time of the Change of Control;
- (c) cause the Corporation to offer to acquire from each Award holder his or her Awards for a cash payment, and any Awards not so acquired, surrendered or exercised by the effective time of the Change of Control will be deemed to have expired;
- (d) cause an Option granted under the Plan to be exchanged for an option to acquire for the same exercise price, the number and type of securities as would be distributed to the Option holder in respect of the Shares to be issued to the Option holder had he or she exercised the Option prior to the effective time of the Change of Control, provided that any such replacement option must provide that it survives for a period of not less than one year from the effective time of the Change of Control regardless of the continuing directorship, officership or employment of the holder;
- (e) permit each Participant, within a specified period of time prior to the completion of the Change in Control as determined by the Board, to exercise all of the Participant's outstanding Options and to settle all of the Participant's outstanding PSUs, RSUs and DSUs (to the extent then vested and exercisable, including by reason of acceleration by the Board pursuant to section 10.1(f) of the Plan or in accordance with the Award Agreement) but subject to and conditional upon the completion of the Change in Control;
- (f) accelerate the dates upon which any or all outstanding Awards shall vest and be exercisable or settled, without regard to whether such Awards have otherwise vested in accordance with their terms, subject to the limitation under section 11.6 below (in accordance with section 4.4(c) of Exchange Policy 4.4) and provided that no acceleration of the vesting provisions of Stock Options granted to Investor Relations Service Providers is permitted without prior Exchange acceptance; or
- (g) make no change to any of the terms or provisions of any Award.

### **10.2 Awards Need Not be Treated Identically.**

In taking any of the actions contemplated by this Part 8, the Board shall not be obligated to treat all Awards held by any Participant, or all Awards in general, identically.

**PART 11**  
**GENERAL TERMS**

**11.1** Number of Shares

The aggregate number of Shares that may be issued under the Plan shall not exceed 10% of the number of Issued Shares outstanding in the capital of the Corporation from time to time as of the date of each grant, such Shares to be allocated among Awards and Participants in amounts and at such times as may be determined by the Board from time to time.

**11.2** NEX Corporation

In the event the Corporation is listed on or is on notice to have its listing transferred to the NEX branch of the Exchange, then it will be precluded from granting any Awards under the Plan other than Stock Options (and may only grant Stock Options once it has publicly disclosed that it is on notice to have its listing transferred to the NEX).

**11.3** Limits for Individuals

Unless the Corporation has obtained the requisite disinterested Shareholder approval pursuant to section 5.3, the maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation granted or issued under the Plan in any 12-month period to any one Person (including any companies that are wholly owned by that Person) must not exceed 5% of the Issued Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Person.

**11.4** Limits for Insiders

The maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the Issued Shares at any point in time unless the Corporation has obtained the regulatory approval required pursuant to section 12.2(a) of the Plan and the Disinterested Shareholder Approval required pursuant to section 12.2(b) of the Plan.

The maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider unless the Corporation has obtained the requisite Disinterested Shareholder Approval pursuant to section 12.2(b) of the Plan.

**11.5** Limits for Consultants

The maximum aggregate number of Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Consultant under the Plan must not exceed 2% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to the Consultant.

**11.6** Limits for Investor Relations Service Providers

Investor Relations Service Providers may only be granted Stock Options (and no other forms of Security Based Compensation) under the Plan.

The maximum aggregate number of Shares that are issuable pursuant to all Stock Options granted in any 12-month period to all Investor Relations Service Providers in aggregate must not exceed 2% of the Issued Shares, calculated as at the date any Stock Option is granted to any such Investor Relations Service Provider.

Stock Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, such that not more than 25% vest any sooner than three months after the date of grant, and not more than 25% vest any sooner than every three months thereafter.

The Board (or any committee thereof) must, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all Investor Relations Service Providers. These procedures may include the establishment of a designated brokerage account through which the Participant conducts all trades in the securities of the Corporation or a requirement for such Participants to file reports of their trades with the Board on a timely basis.

### 11.7 Limits for Charitable Organizations

The only Security Based Compensation that may be granted or issued to a Charitable Organization is Charitable Stock Options. The maximum aggregate number of Shares that are issuable pursuant to all outstanding Charitable Stock Options must not exceed 1% of the Issued Shares, calculated as at the date each Charitable Stock Option is granted to a Charitable Organization. A Charitable Stock Option must expire on or before the earlier of: (i) the date that is 10 years from the date of grant of the Charitable Stock Option; and (ii) the 90<sup>th</sup> day following the date that the holder of the Charitable Stock Option ceases to be a Charitable Organization.

### 11.8 Limitation on Rights as a Shareholder

No Security Based Compensation entitles the holder thereof to any Shareholder rights (including without limitation voting rights, dividend entitlement or rights on liquidation) until such time as the underlying Shares are issued to such Participant. Subject to sections 4.8, 5.4 and 6.8, no adjustment shall be made for dividends or other Shareholder rights for which the record date is prior to the date such underlying Shares have been issued.

### 11.9 Lapsed Awards

If Awards are surrendered, terminated or expire without being exercised in whole or in part, new Awards may be granted covering the Shares not issued under such lapsed Awards, subject to any restrictions that may be imposed by the Exchange.

### 11.10 Payment in Cash

The Corporation may settle any Award by making payment in cash if it does not have a sufficient number of Shares available under the Plan to satisfy its obligations under a Multiplier or any other provision. The Shares issuable to satisfy the Multiplier obligation will be included in the limits set out in sections 11.1, 11.3, 11.4, 11.5 and 11.6 of the Plan. The Corporation may settle the Multiplier obligation by making payment in cash if the Corporation does not have a sufficient number of Shares available under the Plan to satisfy any such obligation due to grant or issuance limitations in the Plan.

### 11.11 Adjustment in Shares Subject to the Plan

If there is a declaration of stock dividend of Shares or any change in the Shares through, without limitation, (i) any consolidation, subdivision or reclassification or recapitalization of Shares, or (ii) adjustments related to an amalgamation, merger, arrangement, reorganization or spin-off, the number of Shares available under the Plan, the Shares subject to any Award, and the exercise price of any Option shall be adjusted as determined to be appropriate by the Board, and such adjustment shall be effective and binding for all purposes of the Plan, subject to the prior acceptance of the Exchange, if required.

### 11.12 Transferability

Awards are non-assignable or non-transferable except as specifically provided in the Plan.

### 11.13 Employment

Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Participant's employment at any time. Participation in the Plan by a Participant is voluntary.

### 11.14 Record Keeping

The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Awards granted to each Participant and relevant details regarding such Awards; and
- (c) such other information as the Board may determine.

### 11.15 Resale Restrictions

If required by Applicable Laws, any Award will be subject to a hold period expiring on the date that is four months and a day after the Date of Grant, and the confirmations, agreements or certificates representing such Awards and

any Shares issued prior to the expiry of such hold period will bear the following legends in substantially the following forms:

“Unless permitted under securities legislation, the holder of the securities represented hereby must not trade the securities before *[insert the date that is four months and one day after the date of grant]*.”

“Without prior written approval of TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until *[insert the date that is four months and one day after the date of grant]*.”

#### **11.16 No Representation or Warranty**

The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

#### **11.17 Section 409A of the Code**

It is intended that any payments under the Plan to U.S. Taxpayers shall be exempt from or comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Section 409A of the Code.

#### **11.18 Compliance with Applicable Law, etc.**

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

#### **11.19 Cash Settlement of Additional Security Based Compensation in Lieu of Dividends**

Notwithstanding any other provision in the Plan, the Corporation may settle any grant of additional security based compensation in lieu of dividends by making payment in cash if the Corporation does not have a sufficient number of Shares available under the Plan to satisfy any such grant of additional security based compensation in lieu of such dividends in Shares or where the issuance of Shares would result in the Corporation breaching a limit on grants or issuances contained in the Plan.

#### **11.20 Term of the Plan**

The Plan shall remain in effect until it is terminated by the Board.

## **PART 12**

### **ADMINISTRATION AND AMENDMENT OF THE PLAN**

#### **12.1 Administration by the Board**

- (a) Unless otherwise determined by the Board, the Plan shall be administered by the Board or a Board committee designated by the Board.
- (b) The Board (or committee thereof, as applicable) shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan, to:
  - (i) adopt and amend rules and regulations relating to the administration of the Plan and make all other determinations necessary or desirable for the administration of the Plan. The interpretation and construction of the provisions of the Plan and related agreements by the Board (or committee thereof, as applicable) shall be final and conclusive. The Board (or committee thereof, as applicable) may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any related agreement in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency;
  - (ii) determine and designate from time to time the individuals to whom Awards shall be made, the amounts of the Awards and the other terms and conditions of the Awards;
  - (iii) correct any defect, supply any information, or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of

- the Plan;
- (iv) delegate any of its responsibilities or powers under the Plan to a Board committee; and
- (v) otherwise exercise the powers under the Plan as set out herein.

## 12.2 Regulatory and Shareholder Approvals

- (a) In administering the Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to Exchange Policies; and the Plan is subject to such approvals.
- (b) Subject to section 12.6 of the Plan, any material amendment to the Plan, including any increase in the number of Awards which may be granted under the Plan, must receive Disinterested Shareholder Approval.

## 12.3 Use of Administrative Agent

The Board (or committee thereof, as applicable) may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer Awards granted under the Plan and to act as trustee to hold and administer the Plan and 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 (or committee thereof, as applicable) in its sole discretion.

## 12.4 Limitation of Liability and Indemnification.

No member of the Board or a committee of the Board will be liable for any action or determination taken or made in good faith with respect to the Plan or any Awards granted thereunder and each such member shall be entitled to indemnification by the Corporation with respect to any such action or determination in the manner provided for by the Board or a committee of the Board.

## 12.5 Amendments to Plan

Subject to sections 12.2 and 12.6 of the Plan, the Board shall have the power, at any time and from time to time, either prospectively or retrospectively, to amend, suspend or terminate the Plan or any Award granted under the Plan without shareholder approval, regarding (i) amendments to fix typographical errors; and (ii) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions; provided however that:

- (a) any amendment, suspension or termination is in accordance with applicable laws and Exchange Policies; and
- (b) no amendment to the Plan or to an Award granted hereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award.

If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Award as they would have been entitled to make if the Plan were still in effect.

## 12.6 Shareholder Approval

Any amendment to the Plan is subject to Shareholder approval as a condition to Exchange acceptance of the amendment. For clarity, certain amendments to the provisions of the Plan may be subject only to approval by a majority of Shareholders instead of Disinterested Shareholder approval, pursuant to Exchange Policies and, if applicable, subject to Exchange approval.