

FORAN MINING CORPORATION

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO

THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 28, 2019

Dated April 18, 2019

FORAN MINING CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Foran Mining Corporation (the “**Company**”) will be held on the 10th Floor of 595 Howe Street, Vancouver, British Columbia, on May 28, 2019 at 2:00 p.m. (Vancouver time), for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended December 31, 2018 and the report of the auditors thereon;
2. to appoint Smythe Ratcliffe LLP, Chartered Accountants as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Company for the ensuing year;
4. to consider and if thought advisable, to pass, with or without amendment, an ordinary resolution approving the Company’s Long-Term Performance Incentive Plan (“**LTIP**”), as more particularly described in the attached management information circular of the Company dated April 18, 2019; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying information circular.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is April 18, 2019 (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, ON, M5H 4H1, Fax: 416.595.9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

DATED this 18th day of April, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS OF
FORAN MINING CORPORATION**

“Patrick Soares”

Patrick Soares
President, Chief Executive Officer and Director

FORAN MINING CORPORATION

MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION RESPECTING THE MEETING

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the annual and special meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Company to be held at 2:00 p.m. (Vancouver time) on May 28, 2019 on the 10th Floor of 595 Howe Street, Vancouver, British Columbia, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders. References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

The board of directors of the Company (the “Board”) has fixed the close of business on April 18, 2019 as the record date (the “Record Date”), being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Company’s registrar and transfer agent, TSX Trust Company (“TSX Trust”), Suite 301, 100 Adelaide Street West, Toronto, ON, M5H 4H1, Fax: 416.595.9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of April 18, 2019.

Voting of Proxies

The common shares in the capital stock of the Company (“Common Shares”) represented by the accompanying form of proxy (if same is properly executed and is received at the offices of TSX Trust at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of TSX Trust, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, ON, M5H 4H1, Fax: 416.595.9593;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, ON, M5H 4H1, Fax: 416.595.9593 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Annual and Special Meeting of Shareholders, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. The Company does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions* made by Intermediaries to "objecting beneficial owners". As a result, such owners will not receive Meeting materials unless their Intermediary assumes the costs of delivery. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one

page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or

- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TSX Trust, Suite 301, 100 Adelaide Street West, Toronto, ON, M5H 4H1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

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

Other than as disclosed herein, no director or executive officer of the Company who has held such position at any time since the beginning of the Company's most recently completed financial year ended December 31, 2018 ("**Last Financial Year**"), each proposed nominee for election as a director of the Company, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As at the date hereof, there are 129,674,451 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The Record Date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at April 18, 2019. All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company's transfer agent, TSX Trust, within the time specified in the attached Notice of Annual and Special Meeting of Shareholders, to attend and to vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Company, as of April 18, 2019, no person or company beneficially owns, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to all outstanding Common Shares other than as set out below:

Name of Shareholder	Number of Shares ⁽¹⁾⁽²⁾	Percentage of Issued and Outstanding Common Shares ⁽¹⁾⁽²⁾
Pierre Lassonde	14,978,194	11.55%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being without the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholders listed above.
- (2) On a non-diluted basis.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to:

- (a) each individual who acted as the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") or acted in a similar capacity for all or any portion of the Last Financial Year,
- (b) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the Last Financial Year whose total compensation was, individually, more than \$150,000 for that financial year, and
- (c) each individual who would have satisfied the criteria under paragraph (b) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the Last Financial Year, (collectively the "Named Executive Officers" or "NEOs").

The NEOs of the Company during the Last Financial Year are listed in the table below:

Name	Principal Position
Patrick Soares	President & CEO
Tim Thiessen	CFO
Roger March	VP of Exploration

Compensation Committee

The Governance and Corporate Compensation Committee of the Board ("**Compensation Committee**") is currently comprised of three directors, namely Sharon Dowdall (Chair), David Petroff and Maurice Tagami, all of whom are independent within the meaning of Canadian Securities Administrator's National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Ms. Dowdall will not be standing for re-election as a director of the Company.

The Compensation Committee's purpose is, among other things, to: (i) review and make recommendations to the Board at least annually regarding the Company's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans (including the Company's long-term performance incentive plan (the "**LTIP**"), attached hereto in full as Schedule "B") and grants, and benefit plans; (ii) have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention; (iii) review and approve at least annually all compensation arrangements with the senior executives of the Company; (iv) review and approve at least annually all compensation arrangements with the directors of the Company; and (v) review the executive compensation sections disclosed in the Company's management proxy circular distributed to the Shareholders in respect of the Company's annual meetings of Shareholders.

All Compensation Committee members have direct or indirect experience that is relevant to their responsibilities in executive compensation. In their roles as members of the Compensation Committee and as current or former senior executive officers, each member of the Compensation Committee has developed skills and experience in executive compensation issues which enable them as a group to make decisions on the suitability of the Company's compensation policies and practices.

Principles/Objectives of the Compensation Program

The objective of the compensation program is to retain executive and director talent that will manage the Company effectively and efficiently while recognizing the financial constraints of the Company. The Board strives to maintain a compensation program that balances short-term and long-term incentives and is competitive with similar companies' compensation programs.

The Company wishes to attract qualified, experienced and self-motivated senior executives who recognize the value of the Company's assets and buy into the Company's objective to develop these assets, thereby creating shareholder value. The Company strives to employ imaginative and creative individuals with high integrity who cultivate a positive corporate culture.

The Board recognizes that in order to attract and retain senior executives who fit the Company's corporate culture, a competitive compensation package needs to be offered. There are three main elements of executive compensation: salaries, compensation securities and bonuses. The Company does not maintain a pension plan for its employees, nor does it provide any other form of deferred compensation program, other than as may be provided for in the LTIP.

Base Salary

The base salary component of executive compensation is a short-term incentive intended to provide a fixed level of cash compensation to executives for performing their daily responsibilities and to reward those executives for providing the services within their job descriptions in a competent and professional manner. The Company will continue to compare the salaries of their executives to those of their peer companies and will strive to maintain a fair and equitable compensation program.

Salary determinations for the executive officers are made by the Board which relies on marketplace salary ranges, comparisons to similar companies and annual trends data.

Compensation Securities

The Company has adopted the LTIP, which as of the date of this Circular, remains subject to the approval of the TSX Venture Exchange (the "TSX-V") and the Shareholders. Prior to adopting the LTIP, the Company maintained a stock option ("Options") plan (the "2016 SOP") and a deferred share unit ("DSU") plan (the "2015 DSU Plan"). The LTIP supersedes the 2016 SOP and 2015 DSU Plan, as well as introduces the availability of the Company to award restricted share units ("RSUs"), performance share units ("PSUs"), and stock appreciation rights ("SARs"). The maximum aggregate number of Common Shares issuable under the LTIP in respect of DSUs, RSUs, PSUs and SARs shall not exceed 5,000,000. A brief summary of the features of all five types of compensation securities ("Compensation Securities") is provided below and is qualified in its entirety by the provisions of the LTIP, a copy of the full text of which is attached hereto as Schedule "B".

In determining individual grants, the Board considers the experience, responsibilities and performance of each recipient of an award under the LTIP. Previous grants are also taken into consideration during the grant process.

Stock Options

The executive officers, as well as directors, employees and consultants, are eligible to receive grants of options to acquire shares of the Company at the time of employment, if applicable, and thereafter as determined by the Board. The Board believes the granting of Options creates long-term incentive, a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of options is intended to reward those executives who are responsible for the management and growth of the Company and to encourage such executives to develop a long-

term vision for the Company to operate in a manner to maximize Shareholder value. By using vesting periods for option grants, this compensation element is also designed to support long-term retention of valuable employees.

During the Last Financial Year, based on the above factors, the Board granted 2,760,000 Options to directors, officers, employees and consultants.

Restricted Share Units

The executive officers, as well as directors, employees and consultants, are eligible to receive grants of RSUs, entitling the holder to receive one Common Share for each RSU, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement. The Board believes the granting of RSUs creates long-term incentive, a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of RSUs is intended to reward those executives who are responsible for the management and growth of the Company and to encourage such executives to develop a long-term vision for the Company to operate in a manner to maximize Shareholder value. By using vesting periods for RSUs in addition to other restrictions, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No RSUs have been awarded as of the date of this Circular.

Performance Share Units

Executive officers, as well as employees and consultants, are eligible to receive grants of PSUs, entitling the holder to receive one Common Share for each PSU, subject to the achievement or attainment of specific performance criteria ("**Performance Criteria**") within a specified period ("**Performance Cycle**"). The number of PSUs, the Performance Criteria which must be satisfied in order for the PSUs to vest and the Performance Cycle in respect of such PSUs shall be specified in the applicable award agreement. The Board believes the granting of PSUs incentivizes the attainment of specific goals which support the overall strategies of the Company, and creates a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of PSUs is intended to reward those executives who are responsible for the management and growth of the Company and to encourage such executives to develop a long-term vision for the Company to operate in a manner to maximize Shareholder value. By using vesting periods for PSUs in addition to other restrictions, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No PSUs have been awarded as of the date of this Circular.

Deferred Share Units

Directors are eligible to receive grants of DSUs. Directors may elect to receive any part or all of their fees payable in respective of their position as a director and/or award as DSUs. Each holder of a DSU is entitled to receive, at the sole discretion of the holder, either one Common Share for each DSU, or a cash payment in an amount equal to the prevailing market price of one Common Share as calculated in accordance with the LTIP ("**Current Market Price**") multiplied by the quantity of DSUs in that participant's account. The Board believes the granting of DSUs creates long-term incentive, a sense of ownership and an alignment of the recipients' interests with those of the Shareholders. The granting of DSUs is intended to reward directors who are responsible for oversight of the management and growth of the Company and to encourage such directors to maintain a long-term vision for the Company to operate in a manner to maximize Shareholder value.

During the Last Financial Year, based on the above factors, the Board granted 514,991 DSUs to directors.

Stock Appreciation Rights

The executive officers, as well as directors, employees and consultants, are eligible to receive grants of SARs, entitling the recipient to receive a payment in Common Shares equal the Current Market Price less the grant price of the SAR as determined by the Board at the time of the grant, for each SAR. Notwithstanding the foregoing, the Board may, in its sole discretion, satisfy the payment of the entitlement in cash rather than in Common Shares. The granting of SARs is intended to reward those executives who are responsible for the management and growth of the Company and to

encourage such executives to develop a long-term vision for the Company to operate in a manner to maximize Shareholder value. By using vesting periods for SARs, this compensation element is also designed to support long-term retention of valuable employees as well as provide an incentive for the achievement of specific milestones, if applicable.

No SARs have been awarded as of the date of this Circular.

Bonuses

Bonuses, if awarded, recognize extraordinary contributions to achieving the Company's objectives. Bonus payments are not determined by a precise formula but are based on the Company's performance and realization of its goals as well as the achievements and contributions of individual employees and officers, with the objective that such remuneration is appropriate and equitable.

The Board considers the approval of bonus payments pursuant to the analysis and recommendation of the Compensation Committee.

During the Last Financial Year, no bonuses were awarded to NEOs or any other employees or consultants.

Summary Compensation Table

The following table provides information for the Last Financial Year as well as the fiscal years ended December 31, 2017 and December 31, 2016 regarding compensation earned by each of the following NEOs:

Name and principal position	Period Ended	Salary ⁽⁵⁾ (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Patrick Soares <i>President and CEO</i> ⁽¹⁾	2018	221,200	Nil	88,043 ⁽³⁾	Nil	Nil	Nil	3,691	312,934
	2017	179,200	Nil	43,486 ⁽³⁾	Nil	Nil	Nil	1,011	223,697
	2016	111,200	Nil	29,724 ⁽³⁾	Nil	Nil	Nil	704	141,628
Tim Thiessen <i>CFO</i> ⁽²⁾	2018	136,123	Nil	78,505 ⁽³⁾	Nil	Nil	Nil	600	215,228
	2017	52,800	Nil	40,392 ⁽³⁾	Nil	Nil	Nil	76	93,268
	2016	65,700	Nil	18,959 ⁽³⁾	Nil	Nil	Nil	1,279	85,938
Roger March <i>VP Exploration</i>	2018	157,333	Nil	57,210 ⁽³⁾	Nil	Nil	Nil	3,619	218,162
	2017	144,600	Nil	40,392 ⁽³⁾	Nil	Nil	Nil	2,018	187,010
	2016	78,600	Nil	18,959 ⁽³⁾	Nil	Nil	Nil	1,361	98,920

Notes:

- (1) Effective November 24, 2010, the Company entered into an employment contract with Mr. Soares, the current President and CEO of the Company. None of Mr. Soares' compensation in the Last Financial Year related to his role as a director of the Company.
- (2) Effective April 15, 2011, the Company entered into an employment contract with Mr. Thiessen, the current CFO of the Company.
- (3) The grant date fair value for the options was calculated using the Black-Scholes Model. The fair value per option was determined using the following weighted average assumptions: risk-free interest rate ranging from 0.60% to 2.01%, expected life of 5 years, volatility ranging from 76% to 85% and expected dividend yield of zero.
- (4) All Other Compensation consisted of unused vacation day payouts and taxable benefits.
- (5) In certain years, the NEOs worked reduced hours in order to preserve capital.

Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company believes the programs are balanced and do not motivate unnecessary or excessive risk taking. The Company does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a

decrease in market value of the Company's equity. However, to the knowledge of the Company as of the date of hereof, no director or NEO of the Company has participated in the purchase of such financial instruments.

Base salaries are fixed in amount thus do not encourage risk taking. While annual incentive awards focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Company's annual incentive award program represents a small percentage of an employee's compensation opportunities. Annual incentive awards are based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities. The determination as to whether a target has been met is ultimately made by the Board (after receiving recommendations of the Compensation Committee) and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards is capped at the company level and the distribution of funds to the executive officers is at the discretion of the Compensation Committee.

Awards of Compensation Securities are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the Company's stock price and since awards are staggered and may be subject to long-term vesting schedules and the achievement of specific goals or milestones, they help ensure that NEOs have significant value tied in long-term stock price performance.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each NEO outstanding as of December 31, 2018:

Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of common shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Patrick Soares	350,000 ⁽³⁾	0.20	January 24, 2019	52,500	N/A	N/A	N/A
	125,000 ⁽⁴⁾	0.20	January 20, 2020	18,750			
	525,000 ⁽⁴⁾	0.11	March 8, 2021	126,000			
	180,000 ⁽⁴⁾	0.40	March 9, 2022	Nil			
	250,000 ⁽⁴⁾	0.57	January 31, 2023	Nil			
Tim Thiessen	225,000 ⁽³⁾	0.20	January 24, 2019	33,750	N/A	N/A	N/A
	100,000 ⁽⁴⁾	0.20	January 20, 2020	15,000			
	325,000 ⁽⁴⁾	0.11	March 8, 2021	78,000			
	180,000 ⁽⁴⁾	0.40	March 9, 2022	Nil			
	220,000 ⁽⁴⁾	0.57	January 31, 2023	Nil			
Roger March	225,000 ⁽³⁾	0.20	January 24, 2019	33,750	N/A	N/A	N/A
	100,000 ⁽⁴⁾	0.20	January 20, 2020	15,000			
	325,000 ⁽⁴⁾	0.11	March 8, 2021	78,000			
	180,000 ⁽⁴⁾	0.40	March 9, 2022	Nil			
	150,000 ⁽⁴⁾	0.57	January 31, 2023	Nil			

Notes:

- (1) The Company has not provided share-based awards to executive officers or employees.
- (2) Calculated using the closing price of the Company's Common Shares on the TSX-V as of December 31, 2018 of \$0.35 and subtracting the exercise price of in-the-money Options.
- (3) The expiration date of these Options was extended past January 24, 2019 and in March 2019, these Options were all exercised.
- (4) These Options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Company's Common Shares on the date of exercise.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Patrick Soares	88,300	N/A	Nil
Tim Thiessen	57,633	N/A	Nil
Roger March	57,633	N/A	Nil

Notes:

- (1) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of the Company’s Common Shares on the vesting date and the exercise price of the options).
- (2) The Company does not provide share-based awards to executive officers or employees.

Pension Plan Benefits

As at the date of this Circular, the Company does not have any pension plans nor are there any pension plan benefits in place for the NEOs.

Termination and Change of Control Benefits

Employment Agreements

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Company in the event of the resignation, retirement or other termination of the NEO’s employment with the Company, change of control of the Company or a change in the NEO’s responsibilities following a change in control. The definition of “**Change of Control**” in the employment agreements is defined below.

Patrick Soares

Pursuant to an employment agreement between the Company and Patrick Soares dated November 24, 2010, in the event that Mr. Soares’ employment is terminated by the Company other than for cause, the Company shall pay Mr. Soares two years’ salary plus the most recent year-end bonus. In the event of a Change of Control of the Company, Mr. Soares is entitled to receive from the Company a payment equal to two years’ salary. In addition, under both scenarios, any unvested stock options shall vest immediately and Mr. Soares will be entitled to exercise the stock options on the earlier of (i) expiry date of the stock options, and (ii) two years from the date he ceased to be employed.

Tim Thiessen

Pursuant to an employment agreement between the Company and Tim Thiessen dated April 15, 2011, in the event that Mr. Thiessen’s employment is terminated by the Company other than for cause, the Company shall pay Mr. Thiessen one years’ salary. In the event of a Change of Control, Mr. Thiessen is entitled to receive from the Company a payment equal to two years’ salary. In addition, in the event of a Change of Control, any unvested stock options shall vest immediately and Mr. Thiessen will be entitled to exercise the stock options on the earlier of (i) expiry date of the stock options, and (ii) two years from the date he ceased to be employed.

Roger March

Pursuant to an employment agreement between the Company and Roger March dated February 11, 2011, in the event that Mr. March’s employment is terminated by the Company other than for cause, the Company shall pay Mr. March six months’ salary. In the event of a Change of Control, Mr. March is entitled to receive from the Company a payment equal to one year’s salary plus a pro-rated amount of his salary from the date of the Change of Control to the next anniversary of his employment agreement. In addition, under both scenarios, any unvested stock options shall vest immediately and Mr. March will be entitled to exercise the stock options on the earlier of (i) expiry date of the stock options, and (ii) two years from the date he ceased to be employed.

Change of Control Provisions

“Change of Control” is defined in Mr. Soares’ employment agreement to mean the occurrence of any of the following: (i) the acquisition (whether in one transaction or a series of transactions), directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership of, or control or direction over, that number of Common Shares which is greater than 35% of the total outstanding Common Shares immediately after such acquisition unless another person or group of persons acting jointly or in concert has previously acquired and continues to beneficially own, or exercise control or direction over, a number of Common Shares which represents a greater percentage than the first-mentioned person or group of persons; (ii) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board by any holder of Common Shares, or by any group of holders of Common Shares acting jointly or in concert, unless such election or appointment is approved by 50% or more of the directors in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy circulation, whether actual or threatened; (iii) any transaction or series of transactions, whether by way of reconstruction, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or substantially all of the assets of the Company, on a consolidated basis, become, directly or indirectly, the property of or controlled by, any other person (other than a subsidiary or a company formed upon the amalgamation of the Company with another company which is a subsidiary of the Company) (the “Successor Entity”) unless: (a) persons who were holders of Common Shares immediately prior to such transaction hold, in the aggregate, at least 35% of the voting securities of the Successor Entity after such transaction or series of transactions; (b) a majority of the members of the board of directors of the Successor Entity is comprised of individuals who were members of the Board immediately prior to such transaction; and (c) after such transaction, no person, or group of persons acting jointly or in concert, holds more than 35% of the voting securities of the Successor Entity, unless such person or group of persons acting jointly or in concert, held more than 35% of the Common Shares immediately prior to giving effect to such transaction or series of transactions; (iv) any acquisition of assets (including securities) by the Company pursuant to which the Company issues Common Shares from treasury unless: (x) persons who were holders of Common Shares immediately prior to such acquisition hold, in the aggregate, at least 35% of the Common Shares immediately after such acquisition; (y) after such acquisition, a majority of the members of the Board is comprised of individuals who were members of the Board of Directors immediately prior to such acquisition; and (z) after such acquisition, no person, or group of persons acting jointly or in concert, holds more than 35% of the Common Shares, unless such person or group of persons acting jointly or in concert, held more than 35% of the Common Shares immediately prior to giving effect to such transaction or series of transactions; or (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in paragraphs (i) to (iv) above.

"Change of Control" is defined in each of Messrs. Thiessen’s and March’s employment agreements to mean the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of the Shares. “Person” for the purpose of this provision includes, but is not limited to, any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted; a change in the majority of the Company’s Board taking place over a period of six (6) months or less; a merger or consolidation, after which the Company’s Shareholders no longer control the Company; and/or the sale of all or substantially all of the Company’s assets or the liquidation of the Company, except where the sale is to an affiliate of the Company.

Estimated Incremental Payments

The estimated incremental payments from the Company to the NEOs (i) on termination without cause or (ii) on a Change of Control, assuming the triggering event occurred on December 31, 2018, are as set out in the following table:

NEO		Termination Without Cause (\$)	Change of Control (\$)
Patrick Soares	Salary	500,000	500,000
	Bonus	14,286	Nil
	Options	Nil	Nil
Tim Thiessen	Salary	180,000	360,000
	Bonus	Nil	Nil
	Options	Nil	Nil
Roger March	Salary	80,000	178,411
	Bonus	Nil	Nil
	Options	Nil	Nil

Other than as stated above, there are no compensatory plans or arrangements, with respect to any NEO resulting from the resignation, retirement or any other termination of employment of an officer's employment or from a change of an NEO's responsibilities following a change in control.

Director Compensation

The Board determines the level of compensation for directors based on recommendations from the Compensation Committee. The Board reviews directors' compensation as needed, taking into account time commitment, risks and responsibilities to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Company.

There are four elements of director compensation pursuant to the LTIP: Options, RSUs, DSUs and SARs.

Directors may receive Option and SAR grants as determined by the Board pursuant to the LTIP. The exercise price of such Option or SAR is determined by the Board, but shall in no event be less than the lowest exercise price permitted by the TSX-V at the time of the grant of the options. The 2016 SOP has been superseded by the LTIP.

The Company previously adopted a DSU Plan (i.e. the 2015 DSU Plan) which awards DSUs to participants of the DSU Plan. The LTIP supersedes the 2015 DSU Plan, and enables the Board to award DSUs as well as RSUs. The Board believes that in order to reward directors for their continued efforts, including them as participants in the LTIP is a constructive way to complement Option awards (as well as SAR awards available under the LTIP).

Each RSU entitles the holder to receive one Common Share and each DSU entitles the holder a right to receive the cash equivalent of one common share. Awards are initially charged to operations using the market value of the Company's shares that best represents the period for which the awards were earned, with the corresponding liability recorded as restricted share units or deferred share units, as applicable. At each period end, the liability is revalued using the market value of the Company's common shares, with the corresponding increase or decrease recorded to operations as a revaluation of restricted share units or deferred share units, as applicable.

Upon separation from the Company, a holder of DSUs may elect to receive either one Common Share for every DSU, or the cash equivalent of the fair market value of the DSUs based on the market value of one Common Share, as calculated in accordance with the LTIP, multiplied by the quantity of DSUs in that participant's account.

From October 1, 2015 to June 30, 2018, the Board suspended the DSU arrangement with its independent directors because of persistently poor market conditions. During this time, the Company continued to compensate its Executive

Chairman with DSUs for services performed, albeit at a reduced level. In January 2018, the Board passed a resolution to reinstate each independent director's compensation to \$4,000 per quarter, effective with the quarter commencing July 1, 2017 and in August 2018 the Board passed a resolution to increase the compensation to \$5,000 per quarter, effective with the quarter commencing July 1, 2018. The Executive Chairman currently earns a maximum of \$10,420 per month in DSUs for his services.

Change of Control Benefits

Consulting Agreement

Darren Morcombe

Pursuant to a consulting agreement between the Company and its Executive Chairman, Darren Morcombe, dated May 4, 2015, and amended in August 2018, the Company pays Mr. Morcombe a daily rate of \$1,042, payable monthly in cash and/or DSUs, as determined by the Board. The maximum number of days of work allowed per month is 10 (ten) unless approved in advance by the Compensation Committee and/or the Board. The Company may in its sole discretion, pay Mr. Morcombe a bonus from time to time. Payment of the bonus and the amount of the bonus will be gratuitous and will be wholly within the discretion of the Board.

In the event of a Change of Control of the Company, Mr. Morcombe is entitled to receive from the Company, at his option, a payment equal to the greater of \$200,000 or the sum of the last six (6) months earned converted to a two (2) year payout, in addition to unpaid reimbursable expenses. In addition, any unvested stock options shall vest immediately in the event of a Change of Control. "Change of Control" is defined in Mr. Morcombe's consulting agreement with the Company to mean the occurrence of the following: whether through takeover bid, private purchase, merger, amalgamation, corporate reorganization or any other form of business combination, more than 50% of the Company is acquired or more than 50% of the Board is controlled by an arms-length third party to Mr. Morcombe and the Company.

Director Compensation Table

The following table provides information regarding compensation earned by the Company's directors, other than the NEOs, during the Last Financial Year:

Name⁽¹⁾	Fees earned (\$)	Share-based awards⁽³⁾ (\$)	Option-based awards⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation⁽⁴⁾ (\$)	Total (\$)
Darren Morcombe	Nil	105,667	118,464	Nil	Nil	100,000	324,131
Sharon Dowdall	Nil	18,000	72,287	Nil	Nil	Nil	90,287
Maurice Tagami	Nil	18,000	72,287	Nil	Nil	Nil	90,287
David Petroff	Nil	18,000	76,806	Nil	Nil	Nil	94,806
TOTAL	Nil	159,667	339,844	Nil	Nil	100,000	599,511

Notes:

- (1) Mr. Soares was President, CEO and a director of the Company during the Last Financial Year. Any compensation that he received in his capacity as director of the Company is reflected in the Summary Compensation Table for the NEOs.
- (2) The grant date fair value for the options was calculated using the Black-Scholes Model. The fair value per option was determined using the following weighted average assumptions: risk-free interest rate ranging from 0.57% to 2.01%, expected life of 5 years, volatility ranging from 76% to 85% and expected dividend yield of zero.
- (3) The Company adopted a Deferred Share Unit Plan on June 8, 2015. Effective October 1, 2015, the Board passed a resolution to suspend the DSU arrangement with its independent directors. In January 2018, the Board passed a resolution to reinstate each independent director's compensation to \$4,000 per quarter, effective with the quarter commencing October 1, 2017. In August 2018, the Board passed a resolution to increase each independent director's DSU compensation from \$4,000 per quarter to \$5,000 per quarter commencing July 1, 2018. For the year ended December 31, 2018, Messrs. Morcombe, Tagami and Petroff, as well as Ms. Dowdall elected to receive their director fees in the form of DSUs. Upon separation from the Company, each director will be entitled to a cash payment, not shares of the Company. For the year ended December 31, 2018, Mr. Morcombe earned 269,975 DSUs, and Messrs. Tagami and Petroff, as well as Ms. Dowdall each earned 46,950 DSUs. Mr. Morcombe earned his DSUs on a monthly basis using the daily volume-traded weighted average closing price.
- (4) Mr. Morcombe received a bonus in 2018 consisting of a cash payment of \$50,000 and 104,166 DSUs with a value of \$50,000.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of December 31, 2018:

Outstanding Share Awards and Options Awards

Name ⁽¹⁾	Option-based Awards				Share-based Awards		Market or payout value of vested share-based awards not paid out or distributed (\$)
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	
Darren Morcombe	150,000 ⁽³⁾	0.20	January 24, 2019	22,500	Nil	Nil	483,151 ⁽⁵⁾
	75,000 ⁽⁴⁾	0.20	January 20, 2020	11,250			
	525,000 ⁽⁴⁾	0.11	March 8, 2021	126,000			
	180,000 ⁽⁴⁾	0.40	March 9, 2022	Nil			
	350,000 ⁽⁴⁾	0.57	January 31, 2023	Nil			
Sharon Dowdall	150,000 ⁽³⁾	0.20	January 24, 2019	22,500	Nil	Nil	43,044 ⁽⁶⁾
	75,000 ⁽⁴⁾	0.20	January 20, 2020	11,250			
	260,000 ⁽⁴⁾	0.11	March 8, 2021	62,400			
	180,000 ⁽⁴⁾	0.40	March 9, 2022	Nil			
	200,000 ⁽⁴⁾	0.57	January 31, 2023	Nil			
Maurice Tagami	150,000 ⁽³⁾	0.20	January 24, 2019	22,500	Nil	Nil	43,044 ⁽⁶⁾
	75,000 ⁽⁴⁾	0.20	January 20, 2020	11,250			
	260,000 ⁽⁴⁾	0.11	March 8, 2021	62,400			
	180,000 ⁽⁴⁾	0.40	March 9, 2022	Nil			
	200,000 ⁽⁴⁾	0.57	January 31, 2023	Nil			
David Petroff	150,000 ⁽³⁾	0.20	January 24, 2019	22,500	Nil	Nil	43,044 ⁽⁶⁾
	75,000 ⁽⁴⁾	0.20	January 20, 2020	11,250			
	100,000 ⁽⁴⁾	0.11	March 8, 2021	24,000			
	260,000 ⁽⁴⁾	0.40	March 9, 2022	Nil			
	200,000 ⁽⁴⁾	0.57	January 31, 2023	Nil			

Notes:

- (1) Mr. Soares was President, CEO, a director of the Company and a NEO during the Last Financial Year. Any compensation that he received in his capacity as director of the Company is reflected in the Outstanding Share Awards and Option Awards Table for the NEOs.
- (2) Calculated using the closing price of the Common Shares on the TSX-V as of December 31, 2018 of \$0.35 and subtracting the exercise price of in-the-money stock options.
- (3) The expiration date of these Options was extended past January 24, 2019 and in March 2019, these Options were all exercised.
- (4) These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (5) The value of Mr. Morcombe's 1,380,432 DSUs at December 31, 2018 was \$483,151, using the closing price of the Company's common shares on the TSX-V as of December 31, 2018. Upon separation from the Company, Mr. Morcombe will be entitled to a cash payment, not shares of the Company.
- (6) The value of each of Messrs. Tagami and Petroff and Ms. Dowdall's 122,982 DSUs was \$43,044, using the closing price of the Company's common shares on the TSX-V on December 31, 2018. Upon separation from the Company, Messrs. Tagami and Petroff and Ms. Dowdall will be entitled to a cash payment, not shares of the Company.

As at the date of this Circular, there were 1,895,681 outstanding DSUs (being approximately 1.46% of the issued and outstanding Common Shares) under the LTIP.

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the Last Financial Year:

Incentive Plan Awards – Value Vested or Earned During the Year

Name ⁽¹⁾	Option-based awards – Value vested during the year (\$) ⁽²⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Darren Morcombe	88,300	105,667 ⁽³⁾	Nil
Sharon Dowdall	47,667	18,000 ⁽³⁾	Nil
Maurice Tagami	47,667	18,000 ⁽³⁾	Nil
David Petroff	26,600	18,000 ⁽³⁾	Nil

Notes:

- (1) Mr. Soares was President, CEO, a director of the Company and a NEO during the Last Financial Year. Any compensation that he received in his capacity as director of the Company is reflected in the Outstanding Share Awards and Option Awards Table for the NEOs.
- (2) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the options).
- (3) These amounts are the value of the DSUs earned by the directors during the year ended December 31, 2018. Although these DSUs vested immediately upon grant, the directors will not realize any value from the DSUs until separation from the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of the equity securities of the Company authorized for issuance as of the financial year ended December 31, 2018 pursuant to the Company's equity compensation plan currently in place:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	9,231,667	\$0.29	3,570,778
Equity compensation plans not approved by security holders ⁽³⁾	N/A	N/A	N/A
TOTAL	9,231,667⁽²⁾	\$0.29	3,570,778⁽¹⁾

Notes:

- (1) Excluding securities reflected in "Number of securities to be issued upon exercise of outstanding options, warrants and rights", and based on a total of 12,802,445 stock options issuable pursuant to the LTIP.
- (2) Representing approximately 7.21% of the issued and outstanding Common Shares as at December 31, 2018.
- (3) The Company adopted a Deferred Share Unit Plan on June 8, 2015. No common shares may be issued upon the redemption of DSUs without the approval of the Company's shareholders and the TSX-V.

As at the date of this Circular, there were 9,526,667 outstanding options (being approximately 7.35% of the issued and outstanding Common Shares) under the LTIP.

MATTERS TO BE ACTED UPON

A. Appointment of Auditors

Smythe Ratcliffe LLP, Chartered Accountants (“**Smythe Ratcliffe**”) were first appointed as auditors of the Company on June 1, 2012. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of Smythe Ratcliffe as auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.**

B. Election of Directors

The Company’s Articles of Incorporation provide that the Board consist of a minimum of three (3) and a maximum of seven (7) directors. At the Meeting, the following five (5) persons named hereunder will be proposed for election as directors of the Company. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders of the Company, or until his or her successor is duly elected unless prior thereto he or she resigns or his or her office becomes vacant by reason of death or other cause.

Majority Voting for Directors

The Board has adopted a policy requiring that in an uncontested election of directors, any nominee who receives a greater number of votes “withheld” than votes “for” will tender a resignation to the Chairman of the Board promptly following the Meeting. The Compensation Committee will consider the offer of resignation and, except in special circumstances, will recommend that the Board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the Meeting, including the reasons for rejecting the resignation, if applicable. The nominee will not participate in any Compensation Committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

Shareholders have the option to (i) vote for all of the directors of the Company listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Company.**

The following table, among other things, sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with the Company, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Company beneficially owned, controlled or directed, directly or indirectly, by them:

Name, Province or State and Country of Residence	Director Since	Present Principal Occupation	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised⁽¹⁾
Darren Morcombe <i>Lugano, Switzerland</i> Executive Chairman of the Board	June, 2010	Executive Chairman of the Board; Principal of Springtide Capital Pty. Ltd.	12,115,500
Patrick Soares <i>British Columbia, Canada</i> President, CEO and Director	November, 2010	President and CEO of the Company (Nov. 2010 to present).	3,845,770

Name, Province or State and Country of Residence	Director Since	Present Principal Occupation	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽¹⁾
Mario Grossi ⁽²⁾⁽³⁾⁽⁴⁾⁽⁷⁾ <i>Ontario, Canada</i> Director	March 26, 2019	President and CEO of Technica Group Inc. and Technica Mining.	4,434,900
Maurice Tagami, B.A.Sc., P.Eng. ⁽²⁾⁽³⁾⁽⁴⁾⁽⁶⁾ <i>British Columbia, Canada</i> Director	February, 2011	Technical Ambassador, Wheaton Precious Metals Corp. (July 2018 to present).	981,500
David Petroff, B. Math, M.B.A. ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ <i>Ontario, Canada</i> Director	April, 2012	Consultant.	Nil

Notes:

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Company and has been furnished by the respective individuals.
- (2) Member of the Audit & Risk Committee.
- (3) Member of the Governance & Corporate Compensation Committee.
- (4) Member of the Environmental, Health & Safety Committee.
- (5) Chair of the Audit & Risk Committee.
- (6) Chair of the Governance & Corporate Compensation Committee.
- (7) Chair of the Environmental, Health & Safety Committee.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 21,377,670 Common Shares, representing approximately 16.49% of the issued and outstanding Common Shares as of the date hereof.

Advance Notice Provision

At the Company's annual general and special meeting held June 8, 2015, the shareholders approved an amendment to the Company's Articles to include an Advance Notice Provision, which allows the Company to fix a deadline for receipt of director nominations submitted by holders of record of Common Shares of the Company prior to any annual or special meeting of shareholders. The Advance Notice Provision also sets out the information requirements to be included in the written form of notice of such director nominations.

At the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Company's Articles, and any nominations for director, other than nominations by or at the direction of the Board or an authorized officer of the Company, will be disregarded at the Meeting.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No individual set forth in the above table is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while such individual was acting in the capacity as director, CEO or CFO; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such individual ceased to be a director, CEO or CFO and which resulted from an event that occurred while such proposed director was acting in the capacity as director, CEO or CFO.

Other than as disclosed below, no individual set forth in the above table (or any personal holding company of any such individual) is, as of the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company) that, while such individual was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation

relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

David Petroff was a director of Jaguar Mining Inc. (“**Jaguar**”). On December 23, 2013, Jaguar commenced proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) in Ontario to complete a recapitalization and financing transaction in order to refinance and restructure its capital structure and related obligations. On April 23, 2014, Jaguar announced that it had successfully implemented its amended and restated plan of compromise and arrangement pursuant to the CCAA dated February 5, 2014 (as amended, the “**Plan**”) with an implementation date of April 22, 2014. The Plan was approved by 100% of the Affected Unsecured Creditors that voted, in person or by proxy, at the meeting of Affected Unsecured Creditors held on January 31, 2014. The Ontario Superior Court of Justice (Commercial List) granted an order approving the Plan on February 6, 2014. Mr. Petroff resigned as a director and officer of Jaguar Mines Inc. on April 23, 2014.

No individual as set forth in the above table (or any personal holding company of any such individual) has, within the ten (10) years before the date of this 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 such individual.

No individual set forth in the above table (or any personal holding company of any such individual) has been subject to:

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

C. Long-term Performance Incentive Plan (“LTIP”)

The purpose of the LTIP is to attract and retain highly qualified officers, directors, key employees, consultants and other eligible persons, and to motivate such officers, directors, key employees, consultants and other eligible persons to serve the Company and its affiliates (“**Affiliates**”) and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides the Board with optionality to grant five types of Compensation Securities: (i) Options; (ii) DSUs; (iii) RSUs; (iv) PSUs; and (v) SARs. It is intended that the LTIP will supersede the 2016 SOP and the 2015 DSU Plan.

Any of these awards may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms hereof (as such performance goals are specified in the Award Agreement). The LTIP is intended to complement the 2016 SOP and 2015 DSU Plan by allowing the Company to offer a broader range of incentives to diversify and customize the rewards for management and staff to promote long term retention. Shareholders will be asked at the Meeting to vote on a resolution to approve the LTIP.

Some of the key provisions of the LTIP are as follows:

- (a) **The aggregate maximum number of Common Shares available for issuance from treasury under the LTIP at any given time shall not exceed 10% of the outstanding Common Shares** as at the date of grant of Compensation Securities under the LTIP, subject to adjustment or increase of such number pursuant to the terms of the LTIP. Any Common Shares subject to an Option which has been granted under the LTIP and which has been cancelled, repurchased, expired or terminated in accordance with the terms of the LTIP without having been exercised will again be available under the LTIP. **The maximum aggregate number of Shares issuable under this Plan in respect of Deferred Share Units, Performance Share Units, Restricted Share Units and SA Rights shall not exceed 5,000,000, which are part of the 10% rolling LTIP.**
- (b) The exercise price of Compensation Securities, if applicable, shall be determined by the Board at the time each Compensation Security is granted, provided that such price shall not be less than (i) if the

Common Shares are listed on the TSX-V, the last closing price of the Common Shares on the TSX-V; or (ii) if the Common Shares are not listed on the TSX-V, in accordance with the rules of the stock exchange on which the Common Shares are listed at the time of the grant; or (iii) if the Common Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.

- (c) The aggregate number of Common Shares reserved for issuance pursuant to Compensation Securities granted to insiders of the Company at any given time, or within a 12 month period, shall not exceed 10% of the total number of Common Shares then outstanding, unless disinterested shareholder approval is obtained. The aggregate number of Common Shares reserved for issuance pursuant to Compensation Securities granted to any one person or entity within any 12 month period shall not exceed 5% of the total number of Common Shares then outstanding unless disinterested shareholder approval is obtained.
- (d) Subject to the LTIP, the Board may determine when any Compensation Security will become exercisable and may determine that the Compensation Security will be exercisable immediately upon the date of grant, or in instalments or pursuant to a vesting schedule; however, unless the Board determines otherwise, applicable Compensation Securities issued pursuant to the LTIP are generally subject to a vesting schedule as follows: (i) $\frac{1}{3}$ upon the date of grant; (ii) $\frac{1}{3}$ upon the first anniversary of the date of grant; and (iii) $\frac{1}{3}$ upon the second anniversary of the date of grant.
- (e) In the event of a change of control (as defined in the LTIP), all Compensation Securities outstanding shall be immediately exercisable, however, no vesting prescribed by the TSX-V shall be removed without prior written TSX-V approval.

See “*Executive Compensation – Principles/Objectives of the Compensation Program – Compensation Securities*” as well as a full copy of the LTIP attached hereto as Schedule “B”, which qualifies the foregoing summary in its entirety.

Shareholder Approval for the LTIP

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

1. the LTIP, substantially in the form attached as Schedule “B” to this information circular be, and is hereby, ratified, affirmed and approved;
2. the form of the LTIP may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the shareholders of the Company;
3. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as such director or officer may deem necessary or desirable in connection with the foregoing resolution.”

The Board recommends that Shareholders vote FOR the LTIP Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the LTIP Resolution, the persons named in the proxy or voting instruction form will vote FOR the LTIP Resolution.

D. Other Matters

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF CORPORATE GOVERNANCE

Board of Directors

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of six (6) directors being Darren Morcombe, Patrick Soares, Sharon Dowdall, Maurice Tagami, David Petroff and Mario Grossi. Messrs. Tagami, Petroff and Grossi, and Ms. Dowdall, are independent within the meaning of NI 58-101. Messrs. Soares and Morcombe are not independent as they are officers of the Company, and thereby both have a “material relationship” with the Company. Ms. Dowdall will not be standing for re-election as a director of the Company.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

Other Public Company Directorships

The following members of the Board currently hold directorships in other reporting issuers as set forth below:

Name of Director	Name of Reporting Issuer	Market
Patrick Soares	Colorado Resources Ltd.	TSX-V
David Petroff	Pancontinental Resources Corporation	TSX-V
Maurice Tagami	Maple Gold Mines Ltd.	TSX-V

Orientation and Continuing Education of Board Members

The Board is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

- the role of the Board and its committees;
- the nature and operation of the business of the Company; and
- the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Company remains current.

Ethical Business Conduct

The Board encourages ethical business conduct through the nomination of Board members it considered experienced in ethical business standards.

In addition to those matters which, by law, must be approved by the Board, the approval of the Board is required for:

- the Company's annual business plan and budget;
- material transactions not in the ordinary course of business; and
- transactions which are outside of the Company's existing business.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

The Company believes it has adopted corporate governance policies and procedures that encourage ethical behaviour by the Company's directors, officers and employees.

Nomination of Directors

The recruitment, appointment and assessment of new directors has generally resulted from recommendations made by directors and Shareholders.

The Company seeks to achieve a balance of knowledge, experience and capability among the members of the Board. When considering candidates for director, the Board takes into account a number of factors, including the following (although candidates need not possess all of the following characteristics and not all factors are weighted equally):

- Personal qualities and characteristics, accomplishments and reputation in the business community;
- Current knowledge and contacts in the countries and/or communities in which the Company does business and in the Company's industry sectors or other industries relevant to the Company's business; and
- Ability and willingness to commit adequate time to Board and committee matters, and be responsive to the needs of the Company.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Board will consider various potential candidates for director. Candidates may come to the attention of the Company through current directors or management, shareholders or other persons. These candidates will be evaluated at regular or special meetings of the Board, and may be considered at any point during the year.

Compensation

The Compensation Committee assists the Board in its oversight with respect to the review of compensation for the officers based on industry standards and the Company's financial condition. The Compensation Committee assists the Board with its review of the LTIP and any grants to the Board members or officers.

The Compensation Committee:

- reviews and makes recommendations to the Board at least annually regarding the Company's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans and grants and benefit plans;
- has sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention;
- reviews and approves at least annually all compensation arrangements with the senior executives of the Company (if any);
- reviews and approves at least annually all compensation arrangements with the directors of the Company (if any); and
- reviews the executive compensation sections disclosed in annual management proxy circular distributed to the shareholders in respect of the Company's annual meetings of shareholders.

Board Committees

In addition to the Audit & Risk Committee and the Governance & Corporate Compensation Committee, the Board has an Environmental, Health & Safety Committee. The Environmental, Health & Safety Committee is responsible for formulating guidelines and policies for the Company with respect to ensuring the health and safety of all of the Company's employees at its properties and for working to ensure the health and safety of the communities surrounding its properties by monitoring compliance by the Company with all applicable environmental and workplace health and safety guidelines of the Provinces of Saskatchewan and Manitoba.

Assessments

On an annual basis, the Board members conduct formal self-assessments of the Board which are forwarded to the Chair of the Governance & Corporate Compensation Committee and then discussed at the next Board meeting. In addition, the Chairman of the Board meets annually with each director individually, which facilitates a discussion of his contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Board.

AUDIT & RISK COMMITTEE INFORMATION

The Audit & Risk Committee's Charter

The directors of the Company have adopted a Charter for the Audit & Risk Committee, which sets out the Audit & Risk Committee's mandate, organization, powers and responsibilities. The full text of the Audit & Risk Committee Charter is attached hereto as Schedule "A" to this Circular.

Composition of the Audit & Risk Committee

The members of the Audit & Risk Committee are David Petroff (Chair), Sharon Dowdall and Maurice Tagami and Mario Grossi, of whom all are independent (as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110") adopted by the Canadian Securities Administrators).

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
David Petroff (Chair)	Yes	Yes
Maurice Tagami	Yes	Yes
Sharon Dowdall	Yes	Yes
Mario Grossi	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Audit & Risk Committee must not have any direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the board of directors of the Company, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Audit & Risk Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

David Petroff

Mr. Petroff has over 35 years of experience in the mining and investment industry, including holding senior management and financial positions with several prominent, publicly-traded mining companies and working in Investment Banking with a major Canadian investment dealer.

Mr. Petroff was President, CEO and Director of TSX-listed Jaguar Mining Inc. from September 2012 to April 2014. From 2009 until its acquisition by Nyrstar NV in mid-2011, he held the role of President, CEO and Director of zinc producer Breakwater Resources Ltd. Mr. Petroff, who holds a B. Math from the University of Waterloo and an MBA from the Schulich School of Business, also sits on the Board of Pancontinental Gold Corporation.

Maurice Tagami

Mr. Tagami joined the Board of Directors in 2011 and has over 30 years' experience in mining development and operations. Mr. Tagami holds a degree in Metallurgical Engineering from the University of British Columbia and is a Professional Engineer with APEGBC. During his career, he has played a significant role in the metallurgical and project management of numerous open pit, underground and heap leach projects worldwide.

Mr. Tagami is the Technical Ambassador at TSX-listed Wheaton Precious Metals Corp., the largest metals streaming company in the world. Previously, he held the positions of President and CEO with Keegan Resources Inc. and Senior Project Manager (Onca Puma Project) with Canico Resource Corp. (acquired by CVRD in 2005). Mr. Tagami served on the Board of Brett Resources Inc. (acquired by Osisko Mining Corp. in 2010), on the Board of SnipGold Corp. (acquired by Seabridge Gold Inc. in 2016) and on the Board of Northair Silver Corp. (acquired by Kootenay Silver Inc. in 2016). Mr. Tagami currently sits on the Board of Maple Gold Mines Ltd.

Sharon Dowdall, B.A. (Hons.), LL.B.

Ms. Dowdall has over 30 years of experience in the legal field, including experience as a practicing lawyer and as a senior executive in the resource sector. Ms. Dowdall was a consultant to Franco-Nevada Corporation, serving in various capacities including VP Special Projects, Chief Legal Officer and Corporate Secretary. Prior to the IPO of Franco-Nevada Corporation, Ms. Dowdall had a 20 year association with the royalty portfolio assets of Franco-Nevada Corporation, including serving as an Officer of Newmont Capital from 2002 to 2007, a wholly-owned subsidiary of Newmont Mining Corp. Ms. Dowdall holds a B.A. (Hons.) from the University of Calgary and an LL.B., from Osgoode Hall at York University and currently sits on the Boards of Olivut Resources Ltd. and NovaGold Resources Inc.

Mario Grossi

Mr. Grossi is the President, CEO and founder of Technica Group Inc. and Technica Mining. Technica Mining is Ontario's second largest underground contractor, growing from a staff of six in 1999 in Sudbury, Ontario to over 450 personnel and operating Canada-wide. Mr. Grossi has worked within the Canadian mining and metals industry for over 25 years, focused on continuously improving mining techniques while striving to create a zero-harm workplace. Technica Mining has provided contracting services to Vale and Glencore, and believes in offering state of the art service without compromising health and safety.

Audit & Risk Committee Oversight

During the Last Financial Year, all recommendations by the Audit & Risk Committee respecting the appointment and/or compensation of the external auditors of the Company were adopted by the Board.

Pre-Approval Policies and Procedures

The Audit & Risk Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

External Auditor Services Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two completed financial years:

Financial Period Ending	Audit Fees⁽¹⁾	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2018	\$29,580	Nil	Nil	Nil
December 31, 2017	\$25,500	Nil	Nil	Nil

Notes:

(1) Audit Fees were paid for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Exemption

Since the Company is a "Venture Issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the year ended December 31, 2018, no director, executive officer or associate of any director or executive officer of the Company was indebted to the Company, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's most recently completed financial year, no informed person of the Company, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Inquiries including requests for copies of the Company's financial statements and management's discussion and analysis for the year ended December 31, 2018 may be directed to the Company by telephone at +1.604.488.0008. Additional financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2018 which is also available on SEDAR.

APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

"Patrick Soares"

Patrick Soares
President, Chief Executive Officer and Director

SCHEDULE "A"

AUDIT & RISK COMMITTEE CHARTER

Mandate

The Audit & Risk Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management has established; the overall responsibility for the Company's external and internal audit processes; and to review the Company's principal business risks and exposures so that such risks and exposures are effectively managed, monitored and controlled.

The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company's outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Company's financial disclosures are complete, accurate, are in accordance with applicable reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

Items Administered by the Committee

- Audit & Risk Committee Charter
- Whistleblower Policy
- Treasury Management Policy
- Vacation & Leave Policy

Membership and Composition

The Committee shall consist of at least three Directors who shall serve on behalf of the Board of which at least two directors are independent. The members shall be appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange, including Multilateral Statement 52-110, and other regulatory agencies as required.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chairman of the Committee. In his absence, the Committee may appoint another person provided a quorum is present. The Chairman will appoint a Secretary of the meeting, who need not be a member of the Committee and who will maintain the minutes of the meeting.

Meetings

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chairman will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chief Financial Officer, will endeavour to distribute the agenda and meeting materials in a timely manner.

The Committee shall meet no less than four times per year or more frequently if circumstances or the obligations require.

Duties and Responsibilities

The duties and responsibilities of the Committee shall be as follows:

Financial Reporting and Disclosure

- i. Review and discuss with management and the external auditor at the completion of the annual examination:
 - a. the Company's audited financial statements and related notes;
 - b. the external auditor's audit of the financial statements and their report thereon;
 - c. any significant changes required in the external auditor's audit plan;
 - d. any serious difficulties or disputes with management encountered during the course of the audit; and
 - e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- ii. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.
- iii. Review, discuss with management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- iv. Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- v. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- vi. Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- vii. Review and discuss with management the systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.

External Auditor

- i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- ii. Recommend to the Board the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.
- iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.
- iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:
 - a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepted auditing practices,
 - b. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and
 - c. approving in advance any non-audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements,

including the requirements of the TSX Venture Exchange with respect to approval of non-audit related services performed by the auditor.

Internal Controls and Audit

- i. Review and assess the adequacy and effectiveness of the Company's systems of internal controls and management information systems through discussion with management and the external auditor so that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- ii. Assess the requirement for the appointment of an internal auditor for the Company.
- iii. Inquire of management and the external auditor about the systems of internal controls that management and the Board have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Company.

Risk Management Oversight

The Committee shall:

- i. Generally review with management the Company's significant risks and exposures and the steps management has taken to manage, monitor and control such risks and exposures.
- ii. More specifically review the Company's principal business risks and exposures so that such risks and exposures are effectively managed, monitored or controlled by:
 - a. reviewing the Company's risk philosophy as set forth by management and the Board of Directors,
 - b. reviewing management's assessment of the significant risks and exposures facing the Company,
 - c. reviewing management's policies, plans, processes and programs to manage and control significant risks and exposures, including the Company's loss prevention policies, disaster response and recovery programs, corporate liability protection programs for directors and officers and any other insurance programs, as applicable,
 - d. receiving regular reports from management regarding the development and implementation of its policies, plans, processes and programs to manage, monitor and control significant risks and exposures, and
 - e. if the Committee deems it appropriate, requesting the independent auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed, monitored and controlled.

Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with applicable reporting standards and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities.

Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

Adoption

This Charter was adopted by the Board on August 18, 2011.

Review

The Committee will annually review and reassess the adequacy of this Charter and submit any recommended changes to the Board for approval.

This Charter was last reviewed on March 3, 2019, with no amendments.

SCHEDULE "B"
LONG-TERM PERFORMANCE INCENTIVE PLAN

FORAN MINING CORPORATION
(the "**Company**")

LONG-TERM PERFORMANCE INCENTIVE PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE OF THIS PLAN

The Company wishes to establish this long-term performance incentive plan ("**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of Shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units, Options and Stock Appreciation Rights to Eligible Persons as further described in this Plan.

The Plan and the Restricted Share Units, Performance Share Units, Deferred Share Units, Options and Stock Appreciation Rights issuable under the Plan are subject to Policy 4.4 of the TSX Venture Exchange.

This Plan is a "10% rolling plan, permitting the issuance of up to 10% of the issued and outstanding Shares in respect of Awards granted hereunder.

SECTION 2. DEFINITIONS

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

- (a) "**2016 Plan**" means the Company's 2016 Incentive Stock Option Plan, as may be amended or restated from time to time;
- (b) "**2015 DSU Plan**" means the Company's Deferred Share Unit Plan, dated June 8, 2015, as may be amended or restated from time to time;
- (c) "**Associate**" has the meaning ascribed thereto in the Securities Act;
- (d) "**Award**" means any award of Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs granted under this Plan;
- (e) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (f) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of publicly undisclosed confidential information pertaining to the Company;
- (g) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of publicly undisclosed confidential information pertaining to the Company.
- (h) "**Board**" means the board of directors of the Company;
- (i) "**Cessation Date**" means, the effective date on which a Participant ceases to be a Director of the Company or a Subsidiary for any reason;

- (j) "**Change of Control**" means the occurrence of one transaction or a series of transactions which results in one Person, together with any affiliates of such Person, exercising direction or control over 50% or more of the Shares. "Person" for the purpose of this provision includes, but is not limited to, any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation or other entity however designated or constituted; a change in the majority of the Company's Board taking place over a period of six (6) months or less; a merger or consolidation, after which the Company's Shareholders no longer control the Company; and/or the sale of all or substantially all of the Company's assets or the liquidation of the Company, except where the sale is to an affiliate of the Company.
- (k) "**Committee**" means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (l) "**Company**" means Foran Mining Corporation, a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (m) "**Consultant**" means a Person (other than a Key Employee or Director) that:
 - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or an affiliate of the Company, other than services provided in relation to a distribution (as defined in the Securities Act);
 - (ii) provides the services under a written contract between the Company or an affiliate of the Company and the Person, as the case may be;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company; and
 - (iv) has a relationship with the Company or an affiliate of the Company that enables the Person to be knowledgeable about the business and affairs of the Company,
 and:
 - (v) if the Person is an individual, includes a corporation of which such individual is an employee or Shareholder, and a partnership of which the individual is an employee or partner; and
 - (vi) if the Person is not an individual, includes an employee, executive officer or director of the Consultant, provided that the individual employee, executive officer or director spends or will spend a significant amount of time on the affairs and business of the Company or an affiliate of the Company;
- (n) "**Current Market Price**" means the five-day volume-weighted average closing price of the Shares on the Exchange on the immediately preceding five (5) Trading Days on which trading in the Shares took place prior to the relevant grant or exercise date;
- (o) "**Deferred Share Unit**" or "**DSU**" means a right to receive on a deferred basis a payment in either Shares or cash as provided in SECTION 5(c) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (p) "**Determination Date**" means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (q) "**Director**" means a member of the Board;
- (r) "**Disability**" means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;

- (s) **"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by all the Company's Shareholders at a duly constituted meeting of Shareholders, excluding votes attached to Shares beneficially owned by Insiders to whom Options may be granted under this Plan and the Associates and Affiliates of such Insiders;
- (t) **"Effective Date"** has the meaning ascribed thereto in SECTION 8;
- (u) **"Election Form"** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;
- (v) **"Eligible Person"** means Directors, Key Employees and Consultants of the Company and its Subsidiaries;
- (w) **"Exchange"** means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (x) **"Exchange Hold Period"** means the four month resale restriction imposed by the Exchange on the shares, more particularly described in Exchange Policy 1.1;
- (y) **"Fees"** means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (z) **"Grant Date"** means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (aa) **"Insider"** means any insider, as that term is defined in the Securities Act;
- (bb) **"Insider Participant"** means a Participant who is an (i) Insider of the Company or of a Subsidiary, and (ii) Associate of any person who is an Insider by virtue of (i);
- (cc) **"Investor Relations Activities"** means any activities, by or on behalf of the Company or a Shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - A. to promote the sale of products or services of the Company, or
 - B. to raise public awareness of the Company,

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - A. applicable securities laws;
 - B. Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication, and

- B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange
- (dd) "**Key Employees**" means employees, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company;
- (ee) "**Option**" means incentive share purchase options entitling the holder thereof to purchase Shares;
- (ff) "**Participant**" means any Eligible Person to whom Awards under this Plan are granted;
- (gg) "**Participant's Account**" means a notional account maintained for each Participant's participation in this Plan which will show any Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs credited to a Participant from time to time;
- (hh) "**Performance-Based Award**" means, collectively, Performance Share Units and Restricted Share Units;
- (ii) "**Performance Criteria**" means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the Performance Share Units;
- (jj) "**Performance Cycle**" means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (kk) "**Performance Share Unit**" means a right awarded to a Participant to receive a payment in Shares as provided in SECTION 5(b) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (ll) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (mm) "**Restriction Period**" means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units specified by the Board in the applicable Award Agreement, which period shall not be less than 12 months, provided the Board may, in its discretion, permit earlier vesting, no sooner than quarterly, of the Restricted Share Units;
- (nn) "**Restricted Share Unit**" means a right awarded to a Participant to receive a payment in Shares as provided in SECTION 5(a) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (oo) "**Retirement**" means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (pp) "**SA Rights**" has the meaning set out in SECTION 5(e)(i);
- (qq) "**Stock Appreciation Right**" or "**SAR**" means a right awarded to a Participant to receive a payment in Shares as provided in SECTION 5(e)(i) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (rr) "**SAR Amount**" has the meaning set out in SECTION 5(e)(iii);

- (ss) "**SAR Grant Price**" has the meaning set out in SECTION 5(e)(ii);
- (tt) "**Securities Act**" means the *Securities Act*, RSBC 1996, c 418, as amended, from time to time;
- (uu) "**Security-Based Compensation Arrangement**" shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more eligible Key Employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by an eligible Key Employee, officer, Insider, service provider or Consultant which is financially assisted by the Company or a Subsidiary by way of loan, guarantee or otherwise;
- (vv) "**Shareholder**" means a registered or beneficial holder of shares or, if the context requires, other securities of a Company.
- (ww) "**Shares**" means the common shares of the Company;
- (xx) "**Subsidiary**" means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (yy) "**Termination Date**" means, as applicable: (i) in the event of a Participant's Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee or a Consultant of the Company or a Subsidiary; and (ii) in the event of termination of the Participant's employment or consulting contract by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;
- (zz) "**Trading Day**" means any date on which the Exchange is open for trading; and
- (aaa) "**Vesting Date**" means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

SECTION 3. ADMINISTRATION

- (a) **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- (b) **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- (c) **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.
- (d) **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

SECTION 4. SHARES AVAILABLE FOR AWARDS

- (a) LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.
- (i) The aggregate number of Shares issuable under this Plan in respect of Awards shall not exceed 10% of the Company's issued and outstanding Shares at any point in time;
 - (ii) In respect of Options, so long as it may be required by the rules and policies of the Exchange:
 - A. the total number of Shares issuable to any Participant under this Plan, at any time, together with Shares reserved for issuance to such Participant under all of the Company's other Security-Based Compensation Arrangements, shall not exceed five (5%) percent of the issued and outstanding Shares; and
 - B. the total number of Options issuable to any Consultant under this Plan shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve month period;
 - C. the total number of Options issuable to Persons performing Investor Relations Activities shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve month period; and
 - D. The grant value of Shares issued or reserved for issuance pursuant to Options granted under this Plan to any one non-executive Director (excluding, for this purpose, the Chairman of the Board, if any) plus the number of Shares that are reserved at that time for issue or are issuable to such non-executive Director pursuant to any other Security-Based Compensation Arrangements shall not exceed \$100,000 in any fiscal year, calculated by the Company as of the Grant Date.
 - (iii) In respect of Deferred Share Units, Performance Share Units, Restricted Share Units and SA Rights:
 - A. The total number of Shares issuable to any Participant under this Plan shall not exceed one (1%) percent of the issued and outstanding Shares at the time of the Award;
 - B. The total number of Shares issuable to any Participant under this Plan shall not, in the aggregate, exceed two (2%) percent of the issued and outstanding Shares in any twelve month period;
 - C. The maximum aggregate number of Shares issuable under this Plan in respect of Deferred Share Units, Performance Share Units, Restricted Share Units and SA Rights shall not exceed 5,000,000.
 - (iv) Persons performing Investor Relations Activities may only receive Options as Awards under this Plan;
 - (v) All Awards granted to Persons retained to perform Investor Relations Activities will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Awards vesting and becoming exercisable in any three (3) month period;
 - (vi) The total number of Shares issuable to a non-executive Director under this Plan (excluding, for this purpose, the Chairman of the Board, if any) shall not exceed three (3%) percent of the issued and outstanding Shares;
 - (vii) Pursuant to the policies of the Exchange, the Exchange Hold Period will be applied to Shares issuable under this Plan and any certificate(s) representing those Shares will include a legend stipulating that the Shares issued are subject to a four month Exchange Hold Period commencing from the Grant Date.

- (b) ACCOUNTING FOR AWARDS. For purposes of this SECTION 4:
 - (i) If an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
 - (ii) Notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.
- (c) ANTI-DILUTION. If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments, in accordance with the terms of this Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Restricted Share Units, Performance Share Units, Deferred Share Units, Options and/or SARs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.
- (d) 2016 PLAN. From and after the Effective Date, the 2016 Plan shall be cancelled and deemed to be cancelled, and all awards granted thereunder shall be governed and deemed to be governed by the provisions of this Plan as existing Options under this Plan.
- (e) 2015 DSU PLAN. From and after the Effective Date, the 2015 DSU Plan shall be cancelled and deemed to be cancelled, and all awards granted thereunder shall be governed and deemed to be governed by the provisions of this Plan as existing DSUs under this Plan.

SECTION 5. AWARDS

(a) RESTRICTED SHARE UNITS

- (i) ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Restricted Share Units to Eligible Persons. Restricted Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Restricted Share Units to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each Restricted Share Unit shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of Restricted Share Units granted pursuant to an Award and the Restriction Period in respect of such Restricted Share Units shall be specified in the applicable Award Agreement.
- (ii) RESTRICTIONS. Restricted Share Units shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (iii) VESTING. All Restricted Share Units will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- (iv) CHANGE OF CONTROL. In the event of a Change of Control, all restrictions upon any Restricted Share Units shall lapse immediately and all such Restricted Share Units shall become fully vested in the Participant and will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.
- (v) DEATH. Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any Restricted Share Units granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be,

shall have no right, title or interest therein whatsoever. Any Restricted Share Units granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with SECTION 5(a)(x) hereof.

- (vi) **TERMINATION OF EMPLOYMENT OR SERVICE.**
- A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Restricted Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.
- C. Upon termination of a Participant's employment with the Company or a Subsidiary, or upon termination of a Consultant's contract, the Participant's eligibility to receive further grants of Awards of Restricted Share Units under this Plan shall cease as of the Termination Date.
- (vii) **DISABILITY.** Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Restricted Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Restricted Share Units, provided, however, that no Restricted Share Units may be redeemed during a leave of absence. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Restricted Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.
- (viii) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Restricted Share Units granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any Restricted Share Units granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with SECTION 5(a)(ix) hereof.
- (ix) **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of Restricted Share Units, and subject to the applicable Award Agreement, the Company shall issue from treasury to the Participant, or if SECTION 5(a)(v) applies, to the Participant's estate, a number of Shares equal to the number of Restricted Share Units credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the Restricted Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Restricted Share Units.

(b) PERFORMANCE SHARE UNITS

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Performance Share Units to Key Employees and Consultants. Performance Share Units granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Performance Share Units to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each Performance Share Unit shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of Performance Share Units granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement.
- (ii) **PERFORMANCE CRITERIA.** The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the Performance Share Units, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the original Performance Criteria unfair or inappropriate unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.
- (iii) **VESTING.** All Performance Share Units will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date.
- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all Performance Share Units granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with SECTION 5(b)(viii) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all Performance Share Units granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with SECTION 5(b)(viii) hereof.
- (vi) **TERMINATION OF EMPLOYMENT OR SERVICE.**
 - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, all Performance Share Units granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - B. Where, in the case of Key Employees or Consultants, other than as may be set forth in the applicable Award Agreement and below, a Participant's employment or consulting contract is

terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement, all Performance Share Units granted to the Participant which, prior to the Participant's termination without cause, by voluntary termination or due to Retirement, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with SECTION 5(b)(viii) hereof.

C. In the case of Key Employees, upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of Performance Share Units under this Plan shall cease as of the Termination Date.

(vii) **DISABILITY.** Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all Performance Share Units granted to the Participant under this Plan will continue to vest in accordance with the terms of such Performance Share Units, provided, however, that no Performance Share Units may be redeemed during a leave of absence. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, all Performance Share Units granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's Performance Share Units that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The Performance Share Units that the Board determines to have vested shall become payable in accordance with SECTION 5(b)(viii) hereof.

(viii) **PAYMENT OF AWARD.** Subject to the applicable Award Agreement, payment to Participants in respect of vested Performance Share Units shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement. The Company shall issue from treasury to the Participant, or if SECTION 5(b)(v) applies, to the Participant's estate, a number of Shares equal to the number of Performance Share Units that have vested. As of the Vesting Date, the Performance Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such Performance Share Units.

(c) **DEFERRED SHARE UNITS**

(i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Deferred Share Units to Directors. Directors become Participants effective as of the date he or she is first appointed or elected as a Director and cease to be Participants on the Cessation Date for any reason. Deferred Share Units granted to a Participant in accordance with SECTION 5(c) hereof shall be credited, as of the Grant Date, to the Participant's Account.

(ii) **ELECTION.** Each Director may elect to receive any part or all of his or her Fees and/or Awards, as applicable in Deferred Share Units under this Plan. Elections by Participants regarding the amount of their Awards that they wish to receive in Deferred Share Units shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Awards for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of his or her Awards for the remainder of that year in Deferred Share Units must make his or her election within 60 days of becoming a Director.

- (iii) **CALCULATION.** The number of Deferred Share Units to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Current Market Price on the Grant Date, or if more appropriate, another trading range that best represents the period for which the award was earned (or such other price as required under Exchange policies). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional Deferred Share Unit, the Participant shall only be credited with a full number of Deferred Share Units (rounded down) and no payment or other adjustment will be made with respect to the fractional Deferred Share Unit.
- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all Deferred Share Units granted to a Participant shall become fully vested in such Participant and shall become payable to the Participant in accordance with SECTION 5(c)(v) hereof.
- (v) **PAYMENT OF AWARD.** Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director for any reason or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, up to two (2) dates designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date as the Participant and the Company may agree, which dates shall be no earlier than then ninetieth (90) day following the year of the Cessation Date and no later than the end of the calendar year following the year of the Cessation Date, or any earlier period on which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant, either:
 - A. that number of Shares equal to the number of Deferred Share Units credited to the Participant's Account, such Shares to be issued from treasury of the Company; or
 - B. a cash payment in an amount equal to the Current Market Price on the Cessation Date multiplied by the quantity of Deferred Share Units credited to a Participant's Account, net of applicable withholdings.
- (vi) **EXCEPTION.** In the event that the value of a Deferred Share Unit would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the Units will be made to the Participant with reference to the five (5) Trading Days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).
- (vii) **DEATH.** Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with SECTION 5(c)(iv) hereof to the Participant upon such Participant ceasing to be a Director.

(d) **OPTIONS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of Options to Eligible Persons, provided that such Eligible Persons are determined by the Board to be *bona fide* Eligible Persons, as the case may be, at the time of such grant. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- (ii) **EXERCISE PRICE.** The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the discounted market price permitted by the Exchange. The Board shall not reprize any Options previously granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the

Company will be required to obtain Disinterested Shareholder Approval in respect of any reduction in the exercise price of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction, if and to the extent required by the rules and policies of the Exchange.

- (iii) **TIME AND CONDITIONS OF EXERCISE.** The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten years. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- (iv) **EVIDENCE OF GRANT.** All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- (v) **EXERCISE.** The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice and payment. Neither the Participants nor their legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such Participants under the terms of this Plan. Where the expiry date for an Option occurs during a Blackout Period, the expiry date for such Option shall be extended to the date that is 10 business days following the end of such Blackout Period.
- (vi) **CHANGE OF CONTROL.** In the event of a Change of Control, each outstanding Option issued to Eligible Persons, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- (vii) **DEATH.** Where a Participant shall die, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- (viii) **TERMINATION OF EMPLOYMENT OR SERVICE.**
 - A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, no Option held by such Participant shall be exercisable from the Termination Date.
 - B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
 - C. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a

Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.

- (ix) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Participant ceasing to be a Director) or prior to the expiration of the Option in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Cessation Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.

(e) **STOCK APPRECIATION RIGHTS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant awards of stock appreciation rights to Eligible Persons, either on a stand-alone basis ("**SA Rights**") or in relation to any Option. SARs granted to a Participant shall be credited, as of the Grant Date, to the Participant's account. The number of SARs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- (ii) **SAR GRANT PRICE.** The exercise price of the SAR (the "**SAR Grant Price**") shall be determined by the Board at the time the SAR is granted. In no event shall the SAR Grant Price be lower than the discounted market price permitted by the Exchange. Where a SAR is granted in relation to an Option, it shall be a right in respect of the same number of Shares, and the SAR Grant Price shall be the same as the exercise price of the Option it is granted in relation to. The Board shall not reprice the SAR Grant Price of any SARs previously granted under this Plan, except in accordance with the rules and policies of the Exchange.

- (iii) PAYMENT.
- A. Subject to the provisions hereof, a SAR is the right to receive a payment in Shares equal to the excess, if any, of:
- i. the Current Market Price immediately prior to the date such SAR is exercised; *over*
 - ii. the SAR Grant Price,
- multiplied by the number of Shares in respect of which the SAR is being exercised (less any amount required to be withheld for taxes by applicable law) (the "**SAR Amount**").
- B. For greater clarity, the actual number of Shares to be granted to the Participant pursuant to Paragraph A shall be equal to the aggregate SAR Amount divided by the Current Market Price.
- C. Notwithstanding the foregoing, in the sole discretion of the Board, the Award Agreement may provide that the Company may elect to satisfy the exercise of a SAR (in whole or in part) by paying to the Participant cash in an amount equal to the SAR Amount in lieu of Shares.
- (iv) TERMS OF SARS GRANTED IN CONNECTION WITH AN OPTION. SARs may be granted in relation to an Option either at the time of the grant of the Option or by adding the SAR to an existing Option. SARs granted in relation to an Option shall be exercisable only at the same time, by the same persons and to the same extent, that the related Option is exercisable. Upon the exercise of any SAR related to an Option, the corresponding portion of the related Option shall be surrendered to the Corporation and cancelled, and upon the exercise of any Option which has an accompanying SAR, the corresponding portion of the related SAR shall be surrendered to the Corporation and cancelled.
- (v) TERMS OF SARS GRANTED ON A STAND-ALONE BASIS. SA Rights shall be granted on such terms as shall be determined by the Board and set out in the Award Agreement (including any terms pertaining to vesting and settlement), provided the term of any SAR granted under this Plan shall not exceed ten years.
- (vi) EXERCISE. The exercise of any SAR will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the SAR is being exercised. If the Participant is to receive Shares, certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice. Neither the Participant nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to SARs under this Plan are issued to such Participant under the terms of this Plan. Where the expiration of the exercise period in respect of a SAR occurs during a Blackout Period, the exercise period for such SAR shall be extended to the date that is 10 business days following the end of such Blackout Period.
- (vii) CHANGE OF CONTROL. In the event of a Change of Control, each outstanding SAR issued to Eligible Persons, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- (viii) DEATH. Where a Participant shall die while holding a SAR, any SAR held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the SAR shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of death of such Participant.

- (ix) **TERMINATION OF EMPLOYMENT OR SERVICE.**
- A. Where, in the case of Key Employees or Consultants, a Participant's employment is terminated by the Company or a Subsidiary for cause, or a consulting contract, subject to the applicable Award Agreement, is terminated as a result of the Consultant's breach, no SAR held by such Participant shall be exercisable from the Termination Date.
- B. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.
- C. Where, in the case of Key Employees or Consultants, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs. Where, in the case of Key Employees or Consultants, a Participant's employment or consulting contract is terminated due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.
- (x) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR as of the Cessation Date.

(f) **GENERAL TERMS APPLICABLE TO AWARDS**

- (i) **FORFEITURE EVENTS.** The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (ii) **AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER.** Without limiting SECTION (5)(e), Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company or any Subsidiary. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other

Security-Based Compensation Arrangement of the Company or any Subsidiary, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

- (iii) **NON-TRANSFERABILITY OF AWARDS.** Except as otherwise provided in an Award Agreement, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.
 - (iv) **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
 - (v) **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
 - (vi) **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.
- (g) **GENERAL TERMS APPLICABLE TO PERFORMANCE-BASED AWARDS**
- (i) **PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS.** At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; and (G) foreign exchange gains and losses.
 - (ii) **ADJUSTMENT OF PERFORMANCE-BASED AWARDS.** The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award.

SECTION 6. AMENDMENT AND TERMINATION

- (a) **SHAREHOLDER APPROVAL OF PLAN.** This Plan is subject to Disinterested Shareholder Approval. Any Awards granted under this Plan prior to receipt of Disinterested Shareholder Approval will not be exercisable or binding on the Company unless and until such approvals are obtained.
- (b) **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any approval of Shareholders of the Company as required by the rules of the Exchange or applicable law, provided that Shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (i) amendments of a "housekeeping nature";
 - (ii) any amendment for the purpose of curing any ambiguity, error or omission in this Plan or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
 - (iii) an amendment which is necessary to comply with applicable law or the requirements of the Exchange;
 - (iv) amendments respecting administration and eligibility for participation under this Plan;
 - (v) changes to the terms and conditions on which Awards may be or have been granted pursuant to this Plan including changes to the vesting provisions and terms of any Awards;
 - (vi) any amendment which alters, extends or accelerates the terms of vesting applicable to any Award; and
 - (vii) changes to the termination provisions of an Award or this Plan which do not entail an extension beyond the original fixed term.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

- (c) **AMENDMENTS TO AWARDS.** The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

SECTION 7. GENERAL PROVISIONS

- (a) **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient.
- (b) **WITHHOLDING.** The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the

Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:

- (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
 - (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (c) **NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS.** Nothing contained in this Plan shall prevent the Company or a Subsidiary from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- (e) **NO RIGHT AS SHAREHOLDER.** Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as Shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- (f) **GOVERNING LAW.** This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (g) **SEVERABILITY.** If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- (h) **NO TRUST OR FUND CREATED.** Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- (i) **NO FRACTIONAL SHARES.** No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- (j) **HEADINGS.** Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

- (k) **NO REPRESENTATION OR WARRANTY.** The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- (l) **NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION.** Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- (m) **CONFLICT WITH AWARD AGREEMENT.** In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- (n) **COMPLIANCE WITH LAWS.** The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
 - (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
 - (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8. EFFECTIVE DATE OF THIS PLAN

This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Shareholders of the Company given by affirmative vote of the majority of the Shares represented at the meeting of the Shareholders of the Company at which motion to approve the Plan is presented.

SECTION 9. TERM OF THIS PLAN

This Plan shall terminate automatically 10 years after the Effective Date, provided that this Plan may be terminated on any earlier date as provided in SECTION 6 hereof, or if any approvals required by the Exchange are not obtained on the terms and conditions required thereby.