



**UCORE RARE METALS INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**Record Date: May 9, 2025**

**Date of Circular: May 14, 2025**

**Date of Meeting: June 13, 2025**

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**UCORE RARE METALS INC.  
210 Waterfront Drive, Suite 106  
Bedford, Nova Scotia, Canada  
B4A 0H3**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** an annual and special meeting (the “**Meeting**”) of shareholders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of Ucore Rare Metals Inc. (the “**Company**”) will be held at 210 Waterfront Drive, Suite 106, Bedford, Nova Scotia, B4A 0H3 on Friday, June 13, 2025 at 2:00 p.m. (Atlantic Daylight Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2024, together with the auditor’s report thereon;
2. to elect the directors of the Company;
3. to reappoint KPMG LLP, Chartered Accountants, as auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the auditor’s remuneration and the terms of its engagement;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution of the Shareholders ratifying and re-approving the Company’s omnibus equity incentive plan, as such resolution is set forth in the Company’s management information circular dated May 14, 2025; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Shareholders should not appoint a proxyholder other than the proxyholders named in the proxy form or voting instruction form to participate in the Meeting. A Shareholder can appoint a proxy holder of the Shareholder’s choice, including by writing in the name of their choice, using the proxy form. A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Company’s transfer agent and registrar, Computershare Trust Company of Canada, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, on or before 2:00 p.m. (Atlantic Daylight Time) on Wednesday, June 11, 2025 or deliver it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

Notwithstanding the foregoing, if you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification.

The record date for the determination of those Shareholders entitled to receive the Notice of Annual and Special Meeting of Shareholders and to vote at the Meeting was the close of business on Friday, May 9, 2025.

**DATED** at Halifax, Nova Scotia, Canada this 14<sup>th</sup> day of May, 2025.

**BY ORDER OF THE BOARD OF DIRECTORS**

***“Peter Manuel”***

**Peter Manuel**

**Vice President, Chief Financial Officer and Corporate Secretary**

**UCORE RARE METALS INC.**  
210 Waterfront Drive, Suite 106  
Bedford, Nova Scotia, Canada  
B4A 0H3

**MANAGEMENT INFORMATION CIRCULAR**  
as at May 14, 2025 unless otherwise noted

**SOLICITATION OF PROXIES**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Ucore Rare Metals Inc. (the “**Company**”) for use at the annual and special meeting (the “**Meeting**”) of the holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Company (“**Common Shares**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Company. The cost of solicitation will be borne by the Company.

Except as noted below, the Company has distributed or made available for distribution, copies of the Notice, Circular and form of proxy or voting instruction form (if applicable) (collectively, the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**” or individually, an “**Intermediary**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company has not elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Company is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Computershare Trust Company of Canada. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will not pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Company is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company’s transfer agent and registrar, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 2:00 p.m. (Atlantic Daylight Time) on Wednesday, June 11, 2025 or delivering it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

All Shareholders are strongly encouraged to vote by proxy in accordance with the Company’s procedures in advance of the Meeting to the greatest extent possible.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
  - (i) to the attention of the Company’s Secretary at the registered office, which is located at 210 Waterfront Drive, Suite 106, Bedford, Nova Scotia, B4A 0H3, at any time up to and

including Wednesday, June 11, 2025, or

- (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, as to any matter upon which a vote has not already been cast pursuant to the authority conferred by such proxies; or
- (b) in any other manner permitted by law.

#### EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

#### ADVICE TO BENEFICIAL SHAREHOLDERS

**Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares, or non-objecting beneficial owners whose names have been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting.** The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary about how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. Rather, the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to

them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the proxy or voting instruction form is to be delivered.**

All references to Shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

#### NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Meeting Materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has fixed the close of business on Friday, May 9, 2025 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 73,887,520 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding. To the knowledge of the directors and executive officers of the Company, as at the date of this Circular, the only persons who beneficially own, directly or indirectly, or exercise control or direction over, voting securities of the Company carrying 10% or more of the voting rights attached to the total issued and outstanding Common Shares are as follows:

Name	Number of Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares <sup>(1)</sup>	Percentage of Voting Rights
Orca Holdings, LLC <sup>(2)</sup>	10,663,736	14.43%

**Notes:**

- (1) The shareholdings are based upon information available on the public record.
- (2) Orca Holdings, LLC is owned and controlled by Randy Johnson, a resident of Alaska and a director of the Company since October 6, 2020. See the Early Warning Report that was filed on SEDAR+ on November 15, 2024.

#### PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company’s board of directors (the “**Board**” or the “**Board of Directors**”), the only matters to be placed before the Meeting are items set out in the Notice and described below.

##### 1. FINANCIAL STATEMENTS

At the Meeting, the audited financial statements for the fiscal year ended December 31, 2024 and the report of the auditor’s thereon will be placed before the Meeting. No vote by the Shareholders is required in connection with the presentation of the audited financial statements for the fiscal year ended December 31, 2024.

##### 2. ELECTION OF DIRECTORS

It is proposed that the persons named as nominees hereunder will be nominated at the Meeting. The Board currently consists of six (6) directors. The terms of office of each current director of the Company will expire on the date of the Meeting when the new Board is elected. It is intended that each person whose name appears below will be nominated at the Meeting for election as a director of the Company to hold office until the next annual meeting of Shareholders or until their successor is duly elected or appointed pursuant to the Company’s by-laws, unless they resign or their office becomes vacant by removal, death or other cause.

The Company's By-Law No. One, as amended pursuant to By-Law No. 1A (a copy of which is found at Appendix "B" of the Company's management information circular dated July 29, 2015 which was filed on SEDAR+ on July 30, 2015), contains a requirement providing for advance notice of nominations of directors in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Company must be provided not less than 30 days and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10<sup>th</sup> day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice to the Company must be given not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of such special meeting was made. The Company's By-Law No. One, as amended by By-Law No. 1A, is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company will provide a copy of Company's By-Law No. One, as amended by By-Law No. 1A free of charge to any Shareholder who requests a copy.

**The management proxyholders designated in the enclosed form of proxy, unless instructed otherwise, intend to vote FOR the election of each of the nominees listed below.** 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, the persons named in the enclosed form of proxy reserve the right to vote for other replacement nominees in their discretion. Each director elected will hold office until the next annual meeting of Shareholders or until such director's office is vacated prior to such time.

The following table states the names of all of the persons proposed to be nominated for election as directors, their principal occupation, the date on which each became a director of the Company and the number of Common Shares beneficially owned by each of them, directly or indirectly, or over which they exercise control or direction, as at May 14, 2025:

Name, Province and Country of Residence and Position with the Company <sup>(1)</sup>	Principal Occupation	Director Since	Voting Shares <sup>(2)</sup>	Other Public Board Memberships
Dr. Jaroslav Dostal <sup>(4)</sup> Nova Scotia, Canada Director	Professor Emeritus of Geology, St. Mary's University, Halifax.	September 2007	3,600	None
Randy Johnson <sup>(5)</sup> Alaska, United States Director	President, Tyler Rental Inc., an Alaska-based enterprise with over 100 employees.	October 2020	10,663,736	Alaska Power & Telephone Company (OTC)
Patrick Ryan Nova Scotia, Canada CEO & Director	CEO of Ucore Rare Metals Inc. President, Neocon International, an automotive OEM design and manufacturing company.	May 2012	132,290	None
Geoff Clarke <sup>(3)(4)</sup> Ontario, Canada Director	Partner, Miller Thomson LLP, a law firm.	October 2013	None	None
Steven Meister <sup>(3)(4)</sup> Northwest Territories, Canada Director	Retired	November 2016	16,600	None
Amira V. Abouali <sup>(3)</sup> Ontario, Canada Director	Vice President, Legal and Governance of Meridian Credit Union Limited, the largest credit union in Ontario, Canada.	July 2021	None	None

**Notes:**

- (1) The information as to province and country of residence and principal occupation of each nominee has been furnished by the respective nominees.
- (2) Common Shares of the Company beneficially owned, directly or indirectly, or over which they exercise control or direction, based upon information furnished to the Company by respective nominees individually.
- (3) Member of the Company's Audit Committee (the "**Audit Committee**"). Geoff Clarke is the Chair of the Audit Committee.
- (4) Member of the Company's Compensation Committee (the "**Compensation Committee**"). Dr. Jaroslav Dostal is the Chair of the Compensation Committee.
- (5) Randy Johnson was appointed to the Company's Board of Directors on October 6, 2020. Mr. Johnson also owns and controls Orca Holdings, LLC, which owns 10,663,736 Common Shares.

## Biographical Information

### *Dr. Jaroslav Dostal*

Dr. Dostal is a Professor Emeritus of Geology at Saint Mary's University in Halifax, where he has been a member of the faculty since 1975. He has over 40 years' experience in geology, ore deposit studies and geochemistry. He has published more than 300 scientific papers and is a widely acknowledged expert on rare metal mineralization in granitoids and volcanic rocks. He had academic appointments at Charles University, Prague (Czech Republic), Université de Montpellier (France), Aix-Marseille Université (France), University of Modena and Reggio Emilia (Italy), Ohio University, Athens (USA) and Dalhousie University, Halifax. Dr. Dostal was the recipient of the 2005 Career Achievement Award of the Volcanology and Igneous Petrology Division of the Geological Association of Canada and the 2007 Gesner Medal for Distinguished Scientist of the Atlantic Geoscience Society. He was a member of the Board of Governors of Saint Mary's University for six years. He is also an Honorary Professor of Mongolian University of Science and Technology in Ulaanbaatar and the past Chair of the Volcanology and Igneous Petrology Division of the Geological Association of Canada. Currently, Dr. Dostal is a Section Editor of Geoscience Canada (Journal of Geological Association of Canada) and an editor of the journal Minerals.

### *Randy Johnson*

Mr. Johnson is the founder of Tyler Rental Inc. ("**Tyler**"), an Alaska-based enterprise with over 125 employees, which he founded as a start-up in 1989 and subsequently grew to a multi-state enterprise. Tyler was transitioned to a 100% employee-owned company in 2022 and operates with over 150M in Assets serving the construction and Mining industries in Alaska and the Northwest. Mr. Johnson continues to serve as President and Chairman of the Board of Tyler today. Mr. Johnson formed Alaska Ship and Drydock ("**ASD**") to operate the Ketchikan Shipyard in 1993. Working in conjunction with the Alaska Industrial Development and Export Authority ("**AIDEA**"), he guided an \$80 million shipyard expansion project at ASD, including a new 2,500 ton dry-dock, upland ship berthing and an 80,000 square foot ship assembly hall and production support complex. He sold the company to Vigor Industrial in 2012, having grown it into a thriving enterprise with annual revenues of \$35 million and up to 200 employees. In addition to Tyler and ASD, Mr. Johnson's business operations and ownership experience includes such Southeast Alaska enterprises as Ty-Matt Construction and Ketchikan Ready Mix and Quarry. Mr. Johnson currently serves on the Board of Directors for Alaska Power and Telephone ("**AP&T**") and has resided in Ketchikan, Alaska, for over 40 years.

### *Patrick Ryan*

Mr. Ryan began as a Director of the Company in 2012, and was appointed as the Company's interim CEO on June 14, 2020 as the Company was transitioning to a technology and manufacturing centered business. In the first quarter of 2021, the Board of Directors determined that Mr. Ryan would serve as the Company's full-time CEO on a go-forward basis. Mr. Ryan is the Founder of Neocon International, a multi-million-dollar automotive OEM design and lean manufacturing company which he conceptualized in 1993. From the outset he was the strategic architect responsible for raising capital, procuring equipment and facilities, assembling and directing a team of R&D engineers and establishing niche product opportunities including light-weighting to improve fuel efficiency. He has amassed twenty-five plus years of business experience serving customers such as Honda, General Motors and Nissan/Renault with numerous team awards for stellar performance, including Toyota's Platinum Quality Alliance Award received in 2016. His understanding of complex supply chains across international markets has led to a prime positioning as the global auto world transitions to vehicle electrification. Mr. Ryan has a heightened interest and in-depth experience with critical metals needed to drive change for the technologies of the twenty-first century. Mr. Ryan frequently speaks publicly to business leaders looking for new insights and mentors MBA as well as graduating engineering students from Dalhousie University from which he holds a Bachelor of Engineering degree. He is the recipient of the APENS Award from the Association of Professional Engineers of Nova Scotia as the most likely to serve society in an ethical manner.



*Geoff Clarke*

Mr. Clarke is a Partner at Miller Thomson LLP, a Canadian-based, full-service, business-law firm with approximately 530 lawyers and 10 offices across Canada. Mr. Clarke specializes in securities law and he is the Head of the firm's Mining Department. He has over 25 years of experience in investment banking, financial advisory services and practicing corporate, commercial and securities law. His law practice focuses on advising public companies, institutional investors and investment banks in regard to securities offerings, mergers and acquisitions, corporate governance, shareholder activism, continuous disclosure, stock exchange matters and securities regulatory compliance matters. Mr. Clarke's M&A experience includes advising special committees in connection with take-overs, reorganizations, and searching for and prioritizing strategic alternatives. He has extensive experience with clients in the mining sector and he was formerly a partner at a large international business law firm that has been recognized many times as the world's top Global Mining Law Firm of the Year. Mr. Clarke was later the President of a full-service institutional investment dealer with offices in Vancouver, Toronto and Montreal. His role at the dealer included providing financial and strategic advice to mining industry companies regarding off-take agreements, joint-ventures, strategic partnerships and raising capital. Mr. Clarke also has experience serving on advisory committees for securities regulators in Canada such as CIRO (formally IIROC) and the Ontario Securities Commission. Mr. Clarke also taught Business Law at York University as an Adjunct Professor and he currently teaches Corporate Finance at the University of Windsor Law School, which is a course that he taught every year since September 2007. Mr. Clarke holds a Master of Laws degree (LL.M) in Business Law from Osgoode Hall, York University, a Bachelor of Laws degree (LL.B) from Queen's University, a Master of Business Administration (MBA) from McGill University, and a Hons. Bachelor of Commerce degree (B. Comm) from McMaster University. Mr. Clarke is recognized by the Canadian Legal Lexpert Directory for his expertise in Corporate Finance & Securities (2018, 2022 & 2024), Mergers & Acquisitions (2025), and by *The Best Lawyers* in Canada for Mining Law (2021 to 2025).

*Steven H. Meister*

Mr. Meister has over 30 years of management and business development experience across Canada. Since 1995, he has been strategically involved in various key business initiatives involving the mining industry, oil and gas industry and utility companies across northern and western Canada. He is a long-standing member of the Board of Directors for the Akaitcho Business Development Company, an Indigenous NGO providing optional funding for northern business start-ups and building partnerships with other community organizations to provide technical advice, business skills development counselling and access to business capital. Most recently, Mr. Meister worked at Williams Engineering Canada Ltd. ("**WEC**") as a member of the senior leadership team and WEC Board of Directors. As the Director - Client Development and Project Delivery, Mr. Meister's key responsibility in addition to overseeing operations in northern Canada focused on providing leadership for the company's overall business development and engineering deliverables. Previously, Mr. Meister worked at Stantec (formally Jacques Whitford Stantec AXYS) as the operations manager for northern Canada and Business Development Manager for ARDICOM, an indigenous partnership between Northern Aboriginal Services Company (NASCo), Arctic Cooperatives Limited (ACL) and Northwestel. Over his career, Mr. Meister has volunteered with many non-profit organizations and served many years with various board/committee roles with various Chambers of Commerce in addition to working with various communities and key stakeholders, including many Indigenous businesses and regional organizations.

*Amira V. Abouali*

Ms. Abouali has over 16 years of experience in the areas of corporate finance, mergers and acquisitions, banking, corporate governance and corporate/commercial law. Currently, Ms. Abouali is the Vice-President, Legal and Governance of Meridian Credit Union Limited, the largest credit union in Ontario and the 2<sup>nd</sup> largest in Canada with over \$32 billion of assets under management ("**AUM**"), over 380,000 client members and more than 2,000 employees. Ms. Abouali also currently teaches Corporate Finance at the University of Windsor, Faculty of Law. Previously, Ms. Abouali was the General Counsel and Corporate Secretary of Jaguar Mining Inc., a publicly traded TSX company with mining operations in Brazil, and prior thereto was an associate in the business law group at Fasken LLP. Ms. Abouali received a Master of Laws degree (LL.M) in Business Law from Osgoode Hall, York University, a Bachelor of Laws degree (LL.B) from the University of Ottawa, a Hons. Bachelor of Sciences degree in Biology (H.B.Sc - Biology) from Western University, and most recently, the Institute of Corporate Directors designation from ICD-Rotman Directors Education Program.

### **Corporate Cease Trade Orders**

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that 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 applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

### **Bankruptcies, or Penalties or Sanctions**

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 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 his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

### **3. APPOINTMENT OF AUDITORS**

KPMG LLP, of Halifax, Nova Scotia (“**KPMG**”) are the auditor of the Company. KPMG was first appointed as auditor on February 22, 2007. The Audit Committee has recommended that KPMG be re-appointed as the auditor of the Company.

Shareholders will be requested to vote to re-appoint KPMG as auditor of the Company to hold office until the next annual meeting of Shareholders (or until its successor is duly elected or appointed) and to authorize the Board to fix the auditor’s remuneration and the terms of its engagement.

Approval of the resolution requires the affirmative vote of a majority of the votes cast in respect thereof by the holders of the Common Shares represented at the Meeting.

The management proxyholders designated in the enclosed form of proxy, unless instructed otherwise, intend to vote **FOR** the re-appointment of KPMG as auditor of the Company to hold office until the next annual meeting of Shareholders and the authorization of the directors to fix the auditor's terms of engagement and remuneration.

#### 4. RE-APPROVAL OF THE OMNIBUS EQUITY INCENTIVE PLAN

At the Meeting, Shareholders will be asked to re-approve the Company's omnibus equity incentive plan (the "**Incentive Plan**") in accordance with Policy 4.4 – *Incentive Stock Options* of the Corporate Finance Manual of the TSX Venture Exchange (the "**TSXV**"). The Incentive Plan was originally approved by the Board on May 15, 2023 and became effective on June 15, 2023 (the "**Effective Date**"), following the receipt of Shareholder approval. All of the 4,485,000 stock options (the "**Outstanding Options**") currently outstanding under the Company's previous option plan (the "**Previous Option Plan**"), as well as the 55,710 outstanding deferred share units (the "**Outstanding DSUs**") under the Company's previous deferred share unit plan (the "**Previous DSU Plan**") remain outstanding and in full force and effect in accordance with their terms. However, following the Effective Date, no additional grants have or will be made pursuant to the Previous Option Plan and/or Previous DSU Plan, and the Previous Option Plan and Previous DSU Plan will terminate on the date upon which no Outstanding Options or Outstanding DSUs will remain outstanding, as applicable.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below ratifying and re-approving the Incentive Plan, in substantially the form attached as Appendix "B" to the Circular.

A summary of the Incentive Plan is set out below. This summary is qualified in its entirety by the full text of the Incentive Plan.

##### **Purpose**

The purposes of the Incentive Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants (as defined in the Incentive Plan) with that of other Shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Common Shares as long-term investments.

##### **Administration of the Incentive Plan**

The Incentive Plan is administered by the Board or, from time to time, a committee thereof, and provides that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to eligible Participants, non-transferable awards (the "**Awards**"). Such Awards include stock options ("**Options**"), restricted share units ("**RSUs**"), share appreciation rights ("**SARs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**"); collectively with the RSUs, SARs and DSUs, the "**Non-Option Awards**").

##### **Maximum Number of Shares Available for Awards**

The number of Common Shares reserved for issuance pursuant to Options granted under the Incentive Plan will not, in the aggregate, exceed 10% of the then outstanding Common Shares at the time of grant. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Incentive Plan shall not exceed a fixed number determined in accordance with the policies of the TSXV.

The maximum number of Common Shares for which Awards may be issued to any one Participant (as defined in the Incentive Plan) in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless disinterested shareholder approval as required by the policies of the TSXV is obtained, or 2% in the case of a grant of Awards to any consultant or persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV). No awards other than Options may be issued to any consultants or persons retained to provide Investor Relations Activities. Further, unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Company (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares.

## **Eligibility**

Awards under the Incentive Plan will be granted only to bona fide employees, officers, non-employee directors and consultants of the Company. The extent to which any such individual is entitled to receive a grant of an Award pursuant to the Incentive Plan will be determined in the discretion of the Board.

## **Types of Awards**

The following is a summary of the various types of Awards issuable under the Incentive Plan.

### **(a) Options**

Subject to any requirements of the TSXV, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a Blackout Period (as defined in the Incentive Plan), Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for Cause (as defined in the Incentive Plan), all Options, whether vested or not as at the Termination Date (as defined in the Incentive Plan) will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Incentive Plan and be exercisable for a period of 90 days after the Termination Date; (iii) in the case of the Disability (as defined in the Incentive Plan) of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Option Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Incentive Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Incentive Plan and be exercisable for a period of 90 days after the Termination Date.

The exercise price and vesting terms of the Options will be determined by the Board at the time an Option is granted, provided that in no event will such exercise price be lower than the last closing price of the Common Shares on the TSXV less any discount permitted by the rules or policies of the TSXV at the time the Option is granted. Disinterested shareholder approval is required to decrease the exercise price or extend the term of Options held by insiders of the Company.

The Incentive Plan permits Participants (with the exception of Investor Relations Service Providers) to elect to undertake a "cashless exercise" of the Options granted to them, pursuant to which the Common Shares otherwise deliverable upon the exercise of the Option may be sold for an amount equal to the exercise price of the Option. In addition, Participants (with the exception of Investor Relations Service Providers) may elect to undertake a "net exercise" procedure of their then-vested and exercisable Options, whereby the Participant shall be entitled to receive such number of Common Shares (rounded down to the nearest whole number) obtained pursuant to the formula set out in the Incentive Plan.

### **(b) Restricted Share Units**

Subject to any requirements of the TSXV, the Board may determine the expiry date of each RSU. Subject to a limited extension if an RSU expires during a Blackout Period, RSUs may vest and be paid out for a period of up to three years after the grant date, provided that: (i) upon a Participant's termination for Cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the Disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Incentive Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically

and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Incentive Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Incentive Plan.

The number of RSUs to be issued to any Participant will be determined by the Board at the time of grant. Each RSU will entitle the holder to receive at the time of vesting for each RSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of RSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

Subject to any vesting restrictions imposed by the TSXV, or as may otherwise be determined by the Board at the time of grant, RSUs shall vest equally over a three-year period such that one third of the RSUs shall vest on the first, second and third anniversary dates of the date that the RSUs were granted. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no RSU may vest before the date that is one year following the date of grant.

**(c) *Share Appreciation Rights***

SARs may be issued together with Options or as standalone awards. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the fair market value of the underlying Common Shares on the date of exercise over the grant price of the SAR. At the discretion of the Board, the payment upon the exercise of a SAR may be in cash, Common Shares of equivalent value, in some combination thereof, or in any other form approved by the Board in its sole discretion.

Subject to any requirements of the TSXV, each SAR granted to a Participant shall vest at such time(s) as the Board shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no SAR may vest before the date that is one year following the date of grant. Subject to a limited extension if a SAR expires during a Blackout Period, SARs will not be exercisable later than the tenth anniversary date of its grant.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of SARs upon a Participant ceasing to be eligible to participate in the Incentive Plan.

**(d) *Deferred Share Units***

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of DSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, each DSU granted to a Participant shall vest at such time(s) as the Board shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no DSU may vest before the date that is one year following the date of grant, provided that if a DSU would otherwise settle or expire during a Blackout Period, the Board may extend such date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of DSUs upon a Participant ceasing to be eligible to participate in the Incentive Plan.

**(e) Performance Share Units**

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of PSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each PSU, provided that in no event will delivery of Common Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which the performance conditions or restrictions are satisfied or lapse, and (ii) December 31 of the third year following the year of the grant date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of PSUs upon a Participant ceasing to be eligible to participate in the Incentive Plan.

**Termination and Change of Control Provisions**

On a Change of Control (as defined below and in the Incentive Plan) of the Company, the Board shall have discretion as to the treatment of outstanding Awards, including whether to: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards (provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the TSXV is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

The Incentive Plan defines a “Change of Control” as the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Common Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Common Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

## **Death, Disability, Retirement and Termination or Resignation of Employment**

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
  - (i) all unvested Options and RSUs as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Options and RSUs (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options and RSUs that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Notwithstanding the forgoing, all Awards must expire within twelve months following the Participant's death.

- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Options and RSUs remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options and RSUs that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options and RSUs, to determine: (i) whether to accelerate vesting of any or all of such Options and RSUs, (ii) whether any of such Options and RSUs shall be cancelled, with or without payment, and (iii) how long, if at all, such Options and RSUs may remain outstanding following the Termination Date; provided, however, that in no event shall such Options and RSUs be exercisable for more than 12 months after the Termination Date.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options and RSUs, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a)-6.9(d), with respect to Options, and 8.7(a)-8.7(d), with respect to RSUs, then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Options and RSUs shall automatically and immediately expire and be forfeited, and
  - (ii) all vested Options and RSUs shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options and RSUs that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Notwithstanding any determination of the Board or the terms of the applicable Award Agreement, all Options and RSUs must expire within 12 months following the date on which the Person ceases to be an eligible Participant.

With respect to all other Awards, each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Awards following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Awards issued pursuant to the Incentive Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Deferred Share Unit be retained for more than 12 months after the Termination Date.

### **Incentive Plan Resolution**

At the Meeting, Shareholders of the Company will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the **"Incentive Plan Resolution"**):

#### **"BE IT RESOLVED THAT:**

1. the omnibus equity incentive plan of the Company (the **"Incentive Plan"**) approved by the board of directors of the Company (the **"Board"**) on May 13, 2023 and last approved by shareholders of the Company on June 13, 2024, substantially in the form attached as Appendix "B" to the management information circular of the Company dated May 14, 2025, is hereby ratified and approved;
2. the Company is hereby authorized to issue options under the Incentive Plan to acquire up to 10% of the then issued and outstanding common shares in the capital of the Company at the time of grant (the **"Common Shares"**) and, in addition, a maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs (as such terms are defined in the Incentive Plan) issued under the Incentive Plan which shall not exceed a fixed number determined in accordance with the policies of the TSX Venture Exchange (the **"TSXV"**);
3. the actions of the directors of the Company in approving and ratifying the Incentive Plan are hereby ratified, confirmed and approved;
4. the Board is hereby authorized to make any amendments to the Incentive Plan as may be required by any applicable regulatory authorities, including the TSXV, without requiring further approval of the shareholders of the Company; and
5. any one director or officer of the Company is hereby authorized, 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 filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of these resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

### **Recommendation of the Board**

The Board has determined that the Incentive Plan Resolution is in the best interests of the Company and the Shareholders and unanimously recommends that the Shareholders vote in favour of approving the Incentive Plan Resolution. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**



## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis sets out the Company's philosophy and objectives in determining executive compensation and explains how its policies and practices implement that philosophy. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

#### Overview

The objective of the Company's executive compensation program is to ensure that executive compensation is fair and reasonable, rewards management performance and is sufficient to attract and retain experienced and talented executives. The Company's executive compensation program also recognizes the fundamental value added to the Company by having a motivated and committed management team whose short, medium and long-term objectives are aligned with those of Shareholders.

The Company has a Compensation Committee which as at December 31, 2024 consisted of Dr. Jaroslav Dostal (Chair), Mr. Steven Meister and Mr. Geoff Clarke. Mr. Dostal and Mr. Meister are not employees, officers or control persons of the Company and they are independent directors of the Company. Mr. Geoff Clarke is deemed not independent because he is a partner at a law firm that has received compensation in respect of legal services provided to the Company. For more information about the independence of the Company's directors, see "Statement of Corporate Governance Practices" below.

In determining executive and director compensation, the Compensation Committee bears in mind the nature of the Company, the small number of executive officers and the financial health of the Company. The Compensation Committee relies on board discussion and informal comparisons to similar and known mineral exploration, development and processing technology companies, while giving consideration to the experience, qualifications and performance of the candidate or staff member. Members of the Compensation Committee that have a direct conflict of interest with a compensation recommendation being considered by the Compensation Committee will declare their conflict and recuse themselves from the deliberations.

The Company's executive compensation for the 2024 and 2023 fiscal years was comprised of three primary components: (i) base salary; (ii) a short-term incentive plan, which includes the potential for cash bonuses; and (iii) a long-term incentive plan, which consists of grants of Options, RSUs, and DSUs.

The base salary of each executive is reviewed and evaluated by the Compensation Committee annually based on the philosophy, objectives, criteria and processes outlined above.

A short-term incentive award, if any, in the form of a cash bonus, may be awarded to an executive each year, as determined by the Compensation Committee, based on the philosophy, objectives, criteria and processes outlined above. In accordance with the short-term incentive plan, during 2023, the Compensation Committee approved a cash bonus payable to the CFO of the Company. This bonus was in the amount of \$45,000 based on his contribution to the long-term growth of the Company. No cash bonus amounts or any similar performance cash awards have been awarded by the Company to any of the Company's executives as performance awards, bonuses or otherwise for performance or any activities that occurred in 2024 or 2022.

With respect to long-term incentives, each year the Company's executives may be awarded Options, RSUs, and/or DSUs. The amount of the long-term incentive shall be determined by the Compensation Committee or the Board based on the philosophy, objectives, criteria and processes outlined above and will take into account previous stock option, RSU and DSU grants to a particular individual. During 2024, a total of 300,000 Options and 630,000 RSUs were granted to Named Executive Officers. In 2023, 400,000 Options were granted, but no RSUs were granted to Named Executive Officers. No DSUs were granted to Named Executive Officers or any other individuals during 2024 and 2023.

## SUMMARY COMPENSATION TABLE

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Company for the three most recently completed financial years. “Named Executive Officer” (collectively, the “NEOs” or individually, an “NEO”) is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Company, (ii) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year end of the Company.

The following table sets forth a summary of all compensation for the last three fiscal years for each of the NEOs:

Name and principal position	Year	Salary (\$) <sup>(4)</sup>	Share-based awards (\$) <sup>(5)</sup>	Option-based awards (\$) <sup>(6)</sup>	Non-equity incentive plan compensation (\$)		Pension Value (\$) <sup>(7)</sup>	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Patrick Ryan, CEO & Director <sup>(1)</sup>	2024	150,000	130,200	25,833	-	-	-	75,000 <sup>(1)</sup>	381,033
	2023	150,000	-	109,600	-	-	-	75,000 <sup>(1)</sup>	334,600
	2022	150,000	-	135,000	-	-	-	75,000 <sup>(1)</sup>	360,000
Peter Manuel, VP, CFO & Corporate Secretary <sup>(2)</sup>	2024	176,250	130,200	25,833	-	-	-	-	332,283
	2023	176,250	-	91,333	45,000 <sup>(2)</sup>	-	-	-	312,583
	2022	141,979	-	135,000	-	-	-	-	276,979
Michael Schrider, VP & COO <sup>(3)</sup>	2024	178,129	130,200	25,833	-	-	-	-	334,162
	2023	205,322	-	91,333	-	-	-	-	296,655
	2022	186,590	-	135,000	-	-	-	-	321,590

### Notes:

- (1) Patrick Ryan was appointed interim CEO on June 14, 2020. In the first quarter of 2021, the Board of Directors determined that Mr. Ryan will serve as the Company’s full-time CEO on a going-forward basis. Mr. Ryan remains a Director and Chairman of the Board of Directors. Mr. Ryan was originally appointed to the Board of Directors on May 14, 2012 and he was subsequently appointed the Chairman of the Board of Directors on November 22, 2016. In 2021, Mr. Ryan entered into an employment agreement for his role as Chief Executive Officer of the Company that dictates that Mr. Ryan receive an annual salary of \$150,000. Mr. Ryan continues to earn an annual base salary of \$75,000 for his role as Chairman of the Board of Directors.
- (2) Peter Manuel was appointed the Company’s Chief Financial Officer on September 21, 2009. During 2019, Mr. Manuel transitioned from a full-time employee of the Company to a part-time employee. For contributions to the Company, the Compensation Committee awarded Mr. Manuel a cash bonus of \$45,000 in 2023.
- (3) Michael Schrider was appointed Chief Operating Officer on February 6, 2018. Pursuant to an arrangement and understanding between the Company and Alaska Personnel, Inc., compensation for the services provided to the Company by Michael Schrider has been paid to Alaska Personnel, Inc., which in turn pays Mr. Schrider the same amount.
- (4) This column reflects the base salary earned in the 2022, 2023 and 2024 financial years.
- (5) This column reflects the total value of deferred share units (DSUs) and restricted share units (RSUs) granted during the year, including vested and unvested, calculated using the market price of Common Shares on the date of grant.
- (6) This column reflects the calculated grant date fair value of options granted that will be recognized as compensation expense by the Company for financial reporting purposes. The fair value of options is estimated using the Black Scholes Options Pricing Model. Key assumptions incorporated into the valuations are as follows: life of the options is estimated based on historic data, the expected volatility is based on historic volatility of the Company’s share price, the exercise price is as per the option contract, and the share price is as at the date on which the options were granted.
- (7) The Company does not provide pension benefits to any of its directors, employees or staff members.

## INCENTIVE AWARDS

At the Meeting, Shareholders will be asked to re-approve the Incentive Plan. The Incentive Plan became effective upon the Effective Date and replaced the Previous Option Plan and Previous DSU Plan. All of the Outstanding

Options and Outstanding DSUs under the Previous Option Plan and Previous DSU Plan, respectively, remain outstanding and in full force and effect in accordance with their terms. However, following the Effective Date, no additional grants have or will be made pursuant to the Previous Option Plan and/or Previous DSU Plan, and the Previous Option Plan and Previous DSU Plan will terminate on the date upon which no Outstanding Options and/or Outstanding DSUs remain outstanding. See “Re-approval of the Omnibus Equity Incentive Plan” for a summary of the material terms of the Incentive Plan.

The Company believes that encouraging its officers and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is currently accomplished through the Company’s Incentive Plan. Awards will be granted to management and employees taking into account a number of factors, including, base salary and bonuses, and competitive factors.

The policies of the TSXV provide that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to Directors, Officers, employees, management, company employees and consultants of the Company and its Affiliates, as the term is defined in the Company’s Incentive Plan, non-assignable and non-transferable Awards to purchase or acquire Common Shares for a period of up to 10 years from the date of grant, provided that the number of Common Shares reserved for issuance by Options may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant and the number of Common Shares reserved for issuance by Non-Option Awards may not exceed 5,613,992 in total.

The purpose of the Incentive Plan is to attract, retain and motivate Directors, Officers, employees and consultants (collectively, the “**Incentive Plan Participants**”) of the Company by providing them with the opportunity, through the granting of Awards, to acquire a proprietary interest in the Company and benefit from its growth. In management’s view, the ability to grant Awards as a means of compensating Participants contributes to the Company’s overall financial performance. As such, management considers that the Incentive Plan will be beneficial to the Company as it provides the Company with greater flexibility to compensate eligible Incentive Plan Participants with grants of Awards and encourage Incentive Plan Participant ownership of the Company.

The Incentive Plan is a “rolling” plan as it relates to Options. The TSXV requires that “rolling” plans (where a specific maximum number of shares issuable under the plan is not fixed) be approved by the Company’s Shareholders at the first annual and special meeting following its adoption and then ratified by the Shareholders at each subsequent annual and special meeting.

#### **Summary of Previous Option Plan (Replaced by the Incentive Plan as at the Effective Date)**

The material terms of the Previous Option Plan are as follows:

1. The number of Common Shares which may be reserved for issuance to eligible persons (as defined in the Previous Option Plan) is a maximum of 10% of the issued and outstanding Common Shares.
2. No one person shall be issued Options representing more than 5% of the issued and outstanding Common Shares in any 12-month period.
3. All Options will be non-assignable and non-transferable and may be granted for a term not exceeding five years, unless the Company is listed on Tier 1 of the TSXV in which case the Options may be granted for a term not exceeding ten years.
4. The exercise price of Options issued may be issued at the market price of the Common Shares as listed on the TSXV, subject to any discounts permitted by applicable legislative and regulatory requirements.
5. No financial assistance can be provided by the Company to Option holders to facilitate the purchase of Common Shares under the Previous Option Plan.
6. The Previous Option Plan also contains anti-dilution provisions usual to plans of this type.

7. If an Option holder ceases to be a Director, Officer, or employee or consultant of the Company (other than by reason of death), then the Options will expire no later than 90 days following that date.
8. The maximum number of Common Shares which may be reserved for issuance under Options in any 12-month period to any one individual under the Previous Option Plan shall be 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
9. The maximum number of Common Shares which may be reserved for issuance under Options in any 12-month period to any one consultant under the Previous Option Plan shall be 2% of the Common Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism.
10. Investor relations persons may not be granted Options exceeding 2% of outstanding Common Shares and such Options must vest over one year with no more than 25% of the Options vesting in each quarter.

#### **Summary of Previous DSU Plan (Replaced by the Incentive Plan as at the Effective Date)**

The material terms of the Previous DSU Plan are as follows:

1. The maximum number of the Company's securities issuable from treasury to satisfy, at the Company's sole discretion, any amount payable under the Previous DSU Plan, shall not exceed 300,000 Common Shares.
2. The maximum aggregate number of the Company's securities issuable from treasury to satisfy, at the Company's sole discretion, any amount payable under the Previous DSU Plan (and any other security-based arrangements of the Company) to Insiders (within the meaning ascribed to such term under the policies of the TSXV) shall not exceed 10% of all outstanding Common Shares at any point in time.
3. The maximum aggregate number of the Company's securities issuable from treasury to satisfy, at the Company's sole discretion, any amount payable under the Previous DSU Plan in respect of DSUs granted within any one (1) year period to Insiders (within the meaning ascribed to such term under the policies of the TSXV), shall not exceed 10% of Common Shares then outstanding.
4. The aggregate number of DSUs granted to any one (1) person (and corporations wholly owned by that person) within any one (1) year period shall not exceed 5% of Common Shares then outstanding.
5. All DSUs will be non-assignable and non-transferable.
6. The Previous DSU Plan also contains anti-dilution provisions usual to plans of this type
7. In the event of a Change of Control (as described in the Previous DSU Plan), all DSUs outstanding that are held by a Participant shall immediately vest on the date of such Change of Control notwithstanding any other restrictions or conditions imposed in the applicable DSU grant.
8. The Board may suspend or discontinue the Previous DSU Plan, or any portion thereof, at any time without first obtaining Shareholder approval and in its absolute discretion.

### Incentive Plan Awards – Named Executive Officers

The following table sets forth the details in respect of outstanding Options and Non-Option Awards granted to each NEO as of December 31, 2024. The value of the unexercised in-the-money Options as at December 31, 2024 has been determined based on the excess of the closing price per Common Share on the TSXV on December 31, 2024, being \$0.75, over the exercise price of such Options.

Name	Option-based Awards				Share-based Awards (DSUs & RSUs)		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$)	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 Ryan, CEO & Director	100,000	0.70	2-Sep-29	5,000	210,000	157,500	2,303
	150,000	1.30	11-Apr-28	-	-	-	-
	250,000	0.85	09-Aug-27	-	-	-	-
	60,000	1.30	01-Sep-26	-	-	-	-
Peter Manuel, VP, CFO & Corporate Secretary	100,000	0.70	2-Sep-29	5,000	210,000	157,500	12,375
	150,000	1.30	11-Apr-28	-	-	-	-
	250,000	0.85	09-Aug-27	-	-	-	-
	40,000	1.30	01-Sep-26	-	-	-	-
Michael Schrider, VP & COO	40,000	1.65	15-May-25	-	-	-	-
	100,000	0.70	2-Sep-29	5,000	210,000	157,500	-
	125,000	1.30	11-Apr-28	-	-	-	-
	250,000	0.85	09-Aug-27	-	-	-	-
	60,000	1.30	01-Sep-26	-	-	-	-
	40,000	1.65	15-May-25	-	-	-	-

### Incentive Plan Awards – Value Vested or Earned during the Year – Named Executive Officers

The following tables set forth the value of the Option awards and Non-Option Awards that vested for each Named Executive Officer in 2024 and 2023, as well as the non-equity incentive plan compensation earned during the financial years ended December 31, 2024 and 2023:

Name	Year Ended December 31, 2024		
	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards (DSUs & RSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year <sup>(2)</sup> (\$)
Patrick Ryan	2,500	-	-
Peter Manuel	2,500	-	-
Michael Schrider	2,500	-	-
Name	Year Ended December 31, 2023		
	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards (DSUs & RSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year <sup>(2)</sup> (\$)
Patrick Ryan	14,733	-	-
Peter Manuel	14,267	-	45,000
Michael Schrider	14,733	-	-

#### Notes:

- (1) Value vested is calculated as the dollar value that would have been realized had the option or DSU been exercised on the date that it vested less the related exercise price multiplied by the number of securities vested.
- (2) Represents cash bonus awarded to the Named Executive Officers.

## Equity Compensation Plans - Securities Authorized for Issuance Thereunder

The following table summarizes relevant information as of December 31, 2024 with respect to compensation plans under which equity securities are authorized for issuance:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options, RSUs, and DSUs	Weighted-average exercise price of outstanding Options	Number of securities remaining available for future issuance under the Incentive Plan
Equity compensation plans approved by Shareholders <sup>(1)</sup>	5,915,000 (Incentive Plan – Options) 960,000 (Incentive Plan – RSUs) 55,710 (Previous DSU Plan - DSUs)	1.02 N/A N/A	473,183 4,653,992 244,290
Equity compensation plans not approved by Shareholders	Nil	Nil	Nil
Total	6,930,710	1.02 (Options)	5,371,465

**Note:**

- (1) The number of shares reserved for issuance for Options from time to time is equal to 10% of the Company's issued and outstanding Common Shares, less the 300,000 shares reserved for issuance under the terms of the Previous DSU Plan. There are 473,183 shares remaining for issuance under the Incentive Plan for Options, and 244,290 under the Previous DSU Plan. The number of Common Shares reserved for issuance for Non-Option Awards may not exceed 5,613,992 in total and there are 4,653,992 shares remaining for issuance under the Incentive Plan. As of December 31, 2024, the Company had 66,881,831 Common Shares issued and outstanding.

## Long-Term Incentive Plan and Pension Plans

The Company does not have a long-term incentive plan or a pension plan for directors or executive officers, other than the Incentive Plan, Previous Option Plan and Previous DSU Plan. Following the Effective Date, no additional grants have or will be made pursuant to the Previous Option Plan and/or Previous DSU Plan, and the Previous Option Plan and Previous DSU Plan will terminate on the date upon which no Outstanding Options or Outstanding DSUs will remain outstanding, as applicable.

## Termination of Employment, Change in Responsibilities and Employment Contracts

During 2021, the Company has entered into a written employment contract with Patrick Ryan, the Company's Chief Executive Officer. Under the terms of the agreement, Mr. Ryan receives an annual fixed base salary of \$150,000 and he is entitled for discretionary bonuses as may be determined by the Compensation Committee and approved by the Board, from time-to-time. Mr. Ryan will continue to receive \$75,000 for his role as Chairman of the Company. Mr. Ryan could be terminated without cause and would be entitled to receive 12 months working notice of termination or pay in lieu of such notice that is equivalent to the combined Chief Executive Office and Chairman salary with payments made by the way of salary continuance. If Mr. Ryan was terminated without cause on December 31, 2024, he would have been entitled to \$225,000. If the Company is subject to a hostile takeover, the Company may terminate Mr. Ryan's employment at any time without cause and Mr. Ryan would be entitled to receive 24 months working notice or pay in lieu of notice of termination with payments provided by the way of salary continuance. Had a hostile takeover taken place on December 31, 2024 and Mr. Ryan was terminated pursuant to his contract, he would have been entitled to a payment in the amount of \$450,000.

The Company entered into a full-time employment contract with Peter Manuel with effect from September 21, 2009. Under the terms of the agreement, Mr. Manuel could be terminated without cause and would be entitled to receive monthly compensation equal to his normal monthly installments of base salary for a period equal to 6 months plus 1 month for each completed full year of service with the Company. If a change of control takes place, Mr. Manuel will be entitled to terminate his employment and receive a payment of 1.5 times his base annual salary, or in the event of a change of control, should the Company terminate Mr. Manuel, he would be entitled to receive a payment of 2.25 times his base annual salary. Had a change in control taken place on December 31, 2024 and Mr. Manuel terminated his employment pursuant to this contract, he would have been entitled to a payment in the amount of \$264,375. Had a change in control taken place on December 31, 2024 and Mr. Manuel been terminated by the Company, he would have been entitled to a payment of \$396,563 in accordance with this contract. Mr. Manuel can be terminated with cause; in which case he would not be entitled to any payment on termination. Mr. Manuel transitioned from a full-time employee to a part-time employee in 2019. The Company and Mr. Manuel entered into

a new written employment agreement effective August 1, 2022 on substantially similar terms to his 2011 agreement but at 75% of the base salary.

In April 2020, it was agreed with Mr. Schrider that if his employment is terminated without cause, then he will be entitled to the following notice periods (or pay in lieu of notice): (i) nine months of notice within the first year of his amended written agreement (ending May 2021); (ii) ten months of notice after May 2021 but prior to May 2022; or (iii) twelve months of notice after May 2022.

The Option Plan provides that all outstanding options will immediately vest upon a change of control. The value of these outstanding options is as outlined in the information above under the heading "Incentive Plan Awards – Named Executive Officers".

## **DIRECTOR COMPENSATION**

Executive directors of the Company are not entitled to any additional compensation for acting as directors. Please see "Compensation Discussion and Analysis" and "Summary Compensation Table" above for a discussion of compensation received by Mr. Ryan, the Company's only executive director as at December 31, 2024.

Non-executive directors of the Company are entitled to receive an annual fee of \$28,000 (payable at \$7,000 per quarter) and standing committee chairs receive an additional annual fee of \$2,000 (payable at \$500 per quarter). Effective November 22, 2016, Mr. Ryan was appointed Chairman with an annual fee of \$75,000. Mr. Ryan was also appointed as the Company's Interim CEO on June 14, 2020, and in Q1 2021 Mr. Ryan became the Company's CEO (without the adjective "Interim"). Directors are reimbursed for their out-of-pocket expenses incurred in attending directors' and committee meetings.

On February 13, 2022, the Company's Board of Directors formally passed resolutions creating a Special Committee (the "**2022 Special Committee**"). The 2022 Special Committee is an ad hoc sub-committee of the Company's Board of Directors.

The 2022 Special Committee's mandate includes the following responsibilities: (i) to review the operational issues that existed as between and involving the Company and Innovation Metals Corp.; (ii) to foster a fair and due process for the interested persons to be provided with an opportunity to be heard; (iii) to consider the best interests of both the Company and its wholly-owned subsidiary, Innovation Metals Corp., and to try and reach a resolution regarding the operational issues; (iv) to consider and to take any action(s) determined by the 2022 Special Committee to be necessary and appropriate in the circumstances; and (v) to recommend to the Company's Board of Directors any other appropriate action(s) that the Company should take in response to the operational issues and related circumstances. Following the departures of certain employees of Innovation Metals Corp., the 2022 Special Committee's role has included overseeing the employee-related litigation. On December 14, 2022, a former employee of Innovation Metals Corp. filed a civil claim against Innovation Metals Corp. and the Company for wrongful dismissal and breach of contract. The claim is derived from an employment relationship between the former employee and Innovation Metals Corp. and the subsequent termination of this relationship. The former employee is seeking \$650,000, plus interest and costs. The Company believes that the action is without merit and intends to fully defend its interest and take all other legal actions available to it. The parties have agreed to settle the claim through arbitration, which remains ongoing. While the arbitration was earlier expected to conclude in Q1 2025, the process has been extended, and a revised timeline has not yet been established. The outcome of this claim cannot be determined at this time, and no provision has been recorded in the Company's most recent financial statements, which are for Q1 2025 and are available on SEDAR+.

The members of the 2022 Special Committee are: Amira Abouali (Chair), Randy Johnson, Steven Meister and Dr. Jaroslav Dostal. The 2022 Special Committee members are entitled to receive compensation for their services on the 2022 Special Committee in an amount that will be determined by the Compensation Committee. To date, the 2022 Special Committee members have not received any fees for their services on the 2022 Special Committee. This topic is expected to be discussed at an upcoming meeting of the Compensation Committee later in 2025, and it is expected that the members of the 2022 Special Committee will receive fair and reasonable, yet modest, compensation for their time, efforts and services. The 2022 Special Committee's activities are expected to be

completed in 2026. It is expected that the 2022 Special Committee will be disbanded upon the conclusion of its activities.

Directors are eligible to receive grants of Awards, including Options, RSUs, and DSUs, under the Incentive Plan.

The directors are indemnified by the Company against all costs, charges and expenses reasonably incurred by such director in respect of any action or proceeding to which such director is made a party by reason of being a director of the Company, subject to the limitations in respect thereof contained in the *Business Companies Act* (Alberta).

Mr. Clarke is a director of the Company. He is also a Partner of Miller Thomson LLP, a large Canadian-based law firm that provides legal services to the Company. Pursuant to a retainer agreement between the Company and Miller Thomson LLP, the law firm provides legal services to the Company on a wide variety of business law topics. Mr. Clarke receives no direct compensation from the Company. All of the director fees earned by Mr. Clarke are paid by the Company to Miller Thomson LLP. All of the legal fees that the Company pays to Miller Thomson LLP for the variety of different legal services provided by Mr. Clarke and the other lawyers, paralegals and clerks at Miller Thomson LLP are reflected in the table below as “other compensation”.

The following tables summarize the compensation earned, awarded or granted to each of the non-executive directors of the Company for the years ended December 31, 2024 and 2023:

Year-Ended December 31, 2024								
Name	Fees Earned (\$)	Special and Independent Committee Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$) <sup>(2)</sup>	All other compensation (\$) <sup>(3)</sup>	Total (\$)
Dr. Jaroslav Dostal (Chair of the Compensation Committee)	30,000	-	-	7,750	-	-	-	37,750
Steven Meister	28,000	-	-	7,750	-	-	-	35,750
Geoff Clarke (Chair of the Audit Committee)	30,000	-	-	7,750	-	-	372,502	410,252
Randy Johnson	28,000	-	-	7,750	-	-	-	35,750
Amira Abouali (Chair of the 2022 Special Committee)	28,000	-	-	7,750	-	-	-	35,750
Year-Ended December 31, 2023								
Dr. Jaroslav Dostal (Chair of the Compensation Committee)	30,000	-	-	62,107	-	-	-	92,107
Steven Meister	28,000	-	-	62,107	-	-	-	90,107
Geoff Clarke (Chair of the Audit Committee)	30,000	-	-	62,107	-	-	417,750	509,857
Randy Johnson	28,000	-	-	62,107	-	-	-	90,107
Amira Abouali (Chair of the 2022 Special Committee)	28,000	-	-	62,107	-	-	-	90,107

**Notes:**

- (1) This column reflects the calculated grant date fair value of Options granted that will be recognized as compensation expense by the Company for financial reporting purposes. The fair value of Options is estimated using the Black Scholes Options Pricing Model. Key assumptions incorporated into the valuations are as follows; life of the Options is estimated based on historic data, the expected volatility is based on historic volatility of the Company's share price, the exercise price is as per the Option contract, and the price of the Common Shares is as at the date on which the Options were granted.
- (2) The Company does not provide pension benefits to any of its directors.
- (3) Other compensation represents legal fees paid to Miller Thomson LLP, a law firm of which Mr. Clarke was a Partner during the year. The “other compensation” figure in the table above includes all of the legal fees the Company paid to Miller Thomson LLP,



including the fees payable for the services of other lawyers, paralegals and clerks. Mr. Clarke receives no direct compensation from the Company. All director fees earned and special and independent committee fees earned by Mr. Clarke are paid to Miller Thomson LLP.

### Incentive Plan Awards – Directors

The following table sets forth the details in respect of outstanding Options granted to each of the non-executive directors as of December 31, 2024. The value of the unexercised in-the-money Options as at December 31, 2024 has been determined based on the excess of the closing price of the Common Shares on the TSXV on that date, being \$0.75, over the exercise price of such Options.

Name <sup>(1)</sup>	Option-based Awards				Share-based Awards (DSUs)		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	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 (\$)
Dr. Jaroslav Dostal	30,000	0.70	02-Sep-29	1,500	-	-	2,303
	85,000	1.30	11-Apr-28	-	-	-	-
	175,000	0.85	09-Aug-27	-	-	-	-
	40,000	1.30	01-Sep-26	-	-	-	-
Steven Meister	30,000	0.70	02-Sep-29	1,500	-	-	-
	85,000	1.30	11-Apr-28	-	-	-	-
	175,000	0.85	09-Aug-27	-	-	-	-
	40,000	1.30	01-Sep-26	-	-	-	-
Randy Johnson	30,000	0.70	02-Sep-29	1,500	-	-	-
	85,000	1.30	11-Apr-28	-	-	-	-
	175,000	0.85	09-Aug-27	-	-	-	-
	40,000	1.30	01-Sep-26	-	-	-	-
Geoff Clarke	30,000	0.70	02-Sep-29	1,500	-	-	2,303
	85,000	1.30	11-Apr-28	-	-	-	-
	175,000	0.85	09-Aug-27	-	-	-	-
	40,000	1.30	01-Sep-26	-	-	-	-
Amira Abouali	30,000	0.70	02-Sep-29	1,500	-	-	-
	85,000	1.30	11-Apr-28	-	-	-	-
	175,000	0.85	09-Aug-27	-	-	-	-
	40,000	1.30	01-Sep-26	-	-	-	-

**Note:**

- (1) Information regarding incentive plan awards granted to Mr. Ryan, who is an executive director of the Company, is set out above under “Incentive Plan Awards – Named Executive Officers”.

### Incentive Plan Awards – Value Vested or Earned during the Year – Directors

The following tables set forth the value of the incentive stock option-based awards and DSUs that vested for each non-employee director in the years ended December 31, 2024 and 2023:

Name <sup>(1)</sup>	Year ended December 31, 2024		
	Option-based awards – Value vested during the year <sup>(2)</sup>	Share-based awards (DSUs and RSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Jaroslav Dostal	1,750	-	-
Steven Meister	1,750	-	-
Randy Johnson	1,750	-	-
Geoff Clarke	1,750	-	-
Amira Abouali	1,750	-	-

Name <sup>(1)</sup>	Year ended December 31, 2023		
	Option-based awards – Value vested during the year <sup>(2)</sup>	Share-based awards (DSUs and RSUs) – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Jaroslav Dostal	10,267	-	-
Steven Meister	10,267	-	-
Randy Johnson	10,267	-	-
Geoff Clarke	10,267	-	-
Amira Abouali	10,267	-	-

**Notes:**

- (1) Information regarding Incentive Plan awards granted to Mr. Ryan, who is an executive director of the Company, is set out above under “Incentive Plan Awards – Value Vested or Earned during the Year – Named Executive Officers”.
- (2) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date that it vested less the related exercise price multiplied by the number of vesting options.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, except as described below no individual who is an executive officer, director, employee or former executive officer, director or employee of the Company is indebted to the Company pursuant to the purchase of securities or otherwise.

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Set out below is a description of certain corporate governance practices of the Company, as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

#### *Board of Directors*

The Board has assessed the independence of each director using the standard for director independence set out in National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”). Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. Under NI 52-110, a material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Below are the results of the Board’s current assessment of director and the director candidates’ independence in accordance with NI 52-110:

- Pat Ryan – not independent (because he is the Company’s CEO) [see subsection 1.4(3)(a) of NI 52-110];
- Dr. Jaroslav Dostal – independent;
- Steven Meister – independent;
- Randy Johnson – independent (Mr. Johnson is not deemed to have a material relationship with the Company. His financial interest in the Company does not represent the majority of his net assets or cause any material interference with his independent judgement. The Company has considered and believes that Mr. Johnson’s securities holdings do not interfere with the exercise of his independent judgement. Mr. Johnson does not have a relationship with the Company that impairs his ability to make independent assessments or participate in independent deliberations about what is in the best interests of the Company. The Company believes Mr. Johnson is able to fulfil his fiduciary duties to the Company in a manner that is not compromised by a conflict of interest that would result in him being considered as not independent in accordance with NI 52-110.);
- Geoff Clarke – not independent (because he is a Partner at Miller Thomson LLP, which is an entity that provides legal services to the Company in exchange for fees) [see subsection 1.5(2)(b) of NI 52-110]; and

- Amira V. Abouali – not independent (because she is the spouse of an individual (Mr. Clarke) who indirectly earns fees paid by the Company) [see section 1.5(2)(a) of NI 52-110].

The Board continues to seek to identify additional qualified candidates to join the Board who would bring valuable skills and experience to the Board and satisfy applicable independence requirements, with the goal of achieving a majority of independent directors on the Board in the future. The Company does not have a designated lead independent director. The Board relies on senior outside legal counsel to provide advice and consultation on current and anticipated matters of corporate governance.

#### *Orientation and Continuing Education*

The Board does not provide a formal orientation or education program for Board members, as it believes that such programs are generally more appropriate for companies of significantly larger size and complexity than the Company and which may have significantly larger boards of directors. The Company's Board members have considerable industry and public company experience and rely on this experience, their close contact with the Company's executives, and their backgrounds in business to best determine how to maintain and enhance their skills. Board members also rely on communications and publications from applicable industry participants for ongoing continuing education, which includes commentators about the Company's business sector and subsectors, as well as legal, accounting and securities regulatory commentators. Members of the Board, as well as staff of the Company, also regularly attend and participate in industry and educational conferences. Notably, one of the Company's directors, Amira V. Abouali, recently earned the Institute of Corporate Directors designation (ICD.D) through the ICD-Rotman Directors Education Program, reflecting a continued commitment to strong governance and ongoing board development.

#### *Ethical Business Conduct*

In respect of any transactions or agreements involving the Company and in respect of which a director of the Company has a material interest or a conflict or potential conflict of interest, that director, in order that the members of the Board exercise independent judgment in respect thereto, is required to disclose such to the Board prior to any such transaction or agreement being considered by the Board and is not permitted to vote on any Board resolution with respect thereto. Should any officer similarly have any such material interest or conflict or potential conflict of interest, such officer must similarly disclose such to the Board. The Board also encourages all Board members and the Company's staff members to attend various educational sessions that are offered online or when they are attending conferences, such as sessions regarding CSA Staff Notice 43-309, CSA Staff Notice 51-316, CSA Staff Notice 51-356, CSA Staff Notice 51-348, CSA Staff Notice 51-336 and other relevant and related materials for small market capitalization and mining industry related issuers.

#### *Nomination of Directors*

The Board does not have a nominating committee. Periodically, the Board as a whole informally assesses the size and composition of the existing Board and the contribution of individual directors. Individual directors are invited to propose new nominees to the Board having regard to the Company's business strategy and the current composition of the Board.

#### *Board Committees*

The Board currently has two standing committees: (i) the Audit Committee and (ii) the Compensation Committee. Both of these committees report directly to the Board. From time-to-time, based on need, *ad hoc* committees of the Board may also be appointed. The Board currently has one *ad hoc* committee: the 2022 Special Committee. This *ad hoc* committee was created on February 13, 2022.

#### *Assessments*

The Board does not have a formal assessment process; however, it does informally consider its ongoing effectiveness through discussions of the operation of the Board committees, the adequacy of information provided

to directors by management, the quality of communication between the Board and management and the historic growth and performance of the Company. The Board believes that this informal assessment has permitted the Board to operate effectively. For information on each committee member's relevant education and experience see the "Election of Directors" section.

#### *Compensation of Directors and Chief Executive Officer*

The process undertaken by the Board in respect of compensation is more fully described in the "Executive Compensation" section of this Circular.

### **AUDIT COMMITTEE INFORMATION**

Set out below is a description of the Company's Audit Committee and audit related information, as required by NI 52-110.

The Audit Committee up to the date of this Circular is composed of three directors, being Messrs. Clarke (Chair), Meister, and Ms. Abouali. As a venture issuer, the Company currently relies on the exemption from the audit committee composition requirements of NI 52-110 contained in Section 6.1 of that instrument because Mr. Clarke and Ms. Abouali are deemed not to be independent under NI 52-110. All members of the Audit Committee are "financially literate", as such term is used in NI 52-110 (i.e., having 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 relevant entity's financial statements).

The Audit Committee operates under a written charter, a copy of which is annexed as Appendix "A" to this Circular. The Audit Committee meets with the Company's Chief Financial Officer and financial management personnel and/or its independent auditors at least four times a year, and at least once every quarter, to review and assist, as part of its charter, the Board in its oversight responsibilities relating to, among other matters, the quality and integrity of the Company's financial statements and MD&A, the accounting and financial reporting principles and procedures of the Company and the adequacy of the Company's systems of internal accounting control. The Audit Committee meets with the Company's independent auditors at least once per year without the presence of management and as well communicates directly with such auditors as circumstances warrant. The Audit Committee reviews, among other things, the Company's financial reporting practices and procedures, the Company's annual and quarterly financial statements and MD&A prior to their issuance to Shareholders and filing with regulatory agencies, actual and prospective changes in significant accounting policies and their effect, the planned scope of examinations by the Company's independent auditors and their findings and recommendations and the scope of audit and non-audit services provided by the independent auditors. It also recommends to the Board the independent auditors to be proposed to the Shareholders for appointment at the Company's annual meeting and approves the remuneration of such auditors.

#### *Relevant Education and Experience:*

- Geoff Clarke – Mr. Clarke is a Partner at Miller Thomson LLP, a Canadian business law firm. He has over 20 years of experience in investment banking, financial advisory services, corporate and securities law as well as teaching experience at the university level in the fields of business law and corporate finance. In addition to his Bachelor of Laws degree (Queen's University) and Master of Laws degree (Osgoode Hall, York University), Mr. Clarke also has Bachelor of Commerce (McMaster University) and Master of Business Administration (McGill University) degrees where he specialized in the finance and accounting streams of those programs.
- Steven H. Meister – Mr. Meister has over 30 years' experience on various financial committees of NFP boards in addition to the direct involvement and oversight of financial matters for the various entities that he has served. Mr. Meister holds a Bachelor of Commerce degree from St. Mary's University where he majored in the management and accounting programs. His business experience over the last 25 years has been indirectly involved with the mining industry as a supplier of related services both in active mines and the decommissioning of mining sites.

- Amira V. Abouali - Ms. Abouali has over 16 years of experience in the areas of corporate finance, mergers and acquisitions, banking, corporate governance and corporate/commercial law. Currently, Ms. Abouali is the Vice-President, Legal and Governance of Meridian Credit Union Limited, the largest credit union in Ontario and the 2nd largest in Canada with over \$32 billion of assets under management (AUM), over 380,000 client members and more than 2,000 employees. Ms. Abouali received a Master of Laws degree (LL.M) in Business Law from Osgoode Hall, York University, a Bachelor of Laws degree (LL.B) from the University of Ottawa, a Hons. Bachelor of Sciences degree in Biology (H.B.Sc - Biology) from Western University, and most recently, the Institute of Corporate Directors designation from ICD-Rotman Directors Education Program.

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Company's external auditors not been adopted by the Board.

At no time since the commencement of the Company's most recently completed financial year has the Company relied on exemptions in relation to "De Minimis Non-Audit Services" or any exemption provided by Part 8 of NI 52-110.

The Company retained KPMG as its independent auditors on February 22, 2007. The Company incurred the following fees from KPMG in respect of the years ended December 31, 2024 and 2023:

	2024	2023
<i>Audit Fees</i>	\$161,703	\$120,353
<i>Audit-Related Fees</i>	-	-
<i>Tax Fees</i>	33,500	30,068
<i>All Other Fees<sup>(1)</sup></i>	90,000	83,466
<b>Total</b>	<b>\$285,203</b>	<b>\$233,887</b>

**Notes:**

- (1) Tax advisory fees associated with the preparation of the Company's Scientific Research and Experimental Development (SR&ED) claims.

The Audit Committee regularly reviews the Company's use of its independent auditors for non-audit services. All non-audit services performed by the Company's independent auditors were approved in advance by the Audit Committee. If non-audit services provided are expected to cost less than \$5,000, the authority to approve has been delegated to the Audit Committee Chairman. The Audit Committee confirmed that the nature of the independent auditors' non-audit services used by the Company did not affect their independence.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, no director or senior officer of the Company at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company.

## ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.ucore.com](http://www.ucore.com). Financial information regarding the Company is provided in the Company's annual audited financial statements and management's discussion and analysis for the year ended December 31, 2023, together with the auditors' report thereon. The Company's financial statements and MD&A may be obtained from the Secretary of the Company upon request.

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

No person or company who has been a director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

### **APPROVAL OF BOARD OF DIRECTORS**

The content of this Circular and the sending of it to each director of the Company, to the auditor of the Company, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Company.

**DATED** at Halifax, Nova Scotia, this 14<sup>th</sup> day of May, 2025.

*signed "Patrick Ryan"*

Patrick Ryan, Chief Executive Officer and Director

*signed "Jaroslav Dostal"*

Dr. Jaroslav Dostal, Director

**APPENDIX “A”**  
**UCORE RARE METALS INC.**  
**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**I. Purpose**

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The committee will also be responsible for identifying principal risks of the business and ensuring appropriate risk management techniques are in place.

The Audit Committee charges management with developing and implementing procedures to:

- ensure internal controls are appropriately designed, implemented and monitored
- ensure reporting and disclosure of required information is complete, accurate, and timely.

The Audit Committee will make recommendations to the board of directors (the “**Board**”) of Ucore Rare Metals Inc. (the “**Company**”) regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the committee’s responsibilities as described in the mandate.

**II. Composition of Committee**

The Audit Committee will be composed of a minimum of three directors from the Board, with a majority of the members who are not employees, officers or control persons, as required by the rules of the TSXV.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member to the committee is not financially literate as required, the person will be provided a three month period in which to achieve the desired level of literacy.

**III. Authority**

The Audit Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Audit Committee will set the compensation for such advisors.

The Audit Committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the Audit Committee.

**IV. Responsibilities**

1. The Audit Committee will recommend to the Board:
  - the external auditor to be nominated for purposes of preparing or issuing the auditor’s report or performing other audit, review or attest services for the Company; and
  - the compensation of the external auditor.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditor’s Report or performing other review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding

financial reporting. The Audit Committee will also ensure that the external auditor is in good standing with the Canadian Public Accountability Board (“CPAB”) and will enquire if there are any sanctions imposed by the CPAB on the external auditor. The Audit Committee will also ensure that the external auditor meets the rotation requirements for partners and staff on the Company’s audit.

3. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company’s external auditor. The Audit Committee has delegated to the Chair of the committee the authority to pre-approve non-audit services up to an amount of \$5,000, with such pre-approved services presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.

*De minimis* non-audit services satisfy the pre-approval requirement provided:

- the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount of fees paid by the Company and its subsidiaries to the external auditors during the fiscal year in which the services are provided;
  - the Company or subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by the Chair of the Audit Committee, who has been granted authority to pre-approve non-audit engagements.
4. The Audit Committee will review and discuss with management and the external auditors the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditors’ written communications to the Audit Committee and to management.
  5. The Audit Committee reviews the Company’s financial statements, MD&A as well as annual and interim earnings press releases and recommends such to the Board, prior to public disclosure of such information.
  6. The Audit Committee ensures that adequate procedures are in place for the review of financial information extracted or derived from the Company’s financial statements, contained in the Company’s other public disclosures and must periodically assess the adequacy of those procedures.
  7. The Audit Committee establishes procedures for:
    - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
    - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
  8. The Audit Committee reviews and approves the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
  9. The Audit Committee will, with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.
  10. The Audit Committee will undertake a process to identify the principal risks of the business and ensure appropriate risk management techniques are in place. This will involve enquiry of management regarding how risks are managed.

## **V. Reporting**



The reporting obligations of the Audit Committee will include:

- Report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting.
- Review the disclosure required in the Company's Annual Information Form or Management Information Circular as required by Form 52-110F2.

## **VI. Meetings**

The Audit Committee will meet at least four times per year and at least once every fiscal quarter. Meetings may also be convened at the request of the external auditor.

\* \* \*

## APPENDIX “B”

### UCORE RARE METALS INC.

### (THE “COMPANY”)

### OMNIBUS EQUITY INCENTIVE PLAN

#### ARTICLE 1 ESTABLISHMENT, PURPOSE AND DURATION

##### 1.1 Establishment of the Plan.

The following is the omnibus equity incentive plan (the “**Plan**”) of the Company, pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The Plan is a Security Based Compensation Plan (as such term as defined below). The Plan permits the grant of Options, Share Appreciation Rights, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below).

The Plan was approved by the Board (as defined below) on May 15, 2023, and shall become effective upon the receipt of approval of the Shareholders and the acceptance of the TSX Venture Exchange (the “**Effective Date**”), and will remain in force until the date it is terminated by the Board in accordance with the Plan. The Plan is subject to amendment and/or restatement from time to time on approval of the Board and receipt of any required regulatory and/or shareholder approvals.

##### 1.2 Purpose of the Plan.

The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with those of other shareholders of the Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.

##### 1.3 Termination of Predecessor Plan.

The Plan shall, in respect of Options, serve as the successor to the Company's stock option plan and deferred share unit plan, as they had existed prior to the Effective Date (the “**Predecessor Plans**”). Options and deferred share units currently outstanding under the Predecessor Plans will remain outstanding and in full force and effect in accordance with their terms after the Effective Date. However, following the Effective Date, no additional grants shall be made pursuant to the Predecessor Plans, and the Predecessor Plans will terminate on the date upon which no Outstanding Options remain outstanding.

#### ARTICLE 2 DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

“**Affiliate**” means any corporation, partnership or other entity: (i) in which the Company, directly or indirectly, has majority ownership interest; or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to “control” such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

**"ASA"** means the *Securities Act (Alberta)*, as may be amended from time to time.

**"Award"** means, individually or collectively, a grant under the Plan of Options, SARs, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms of the Plan.

**"Award Agreement"** means either: (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

**"Blackout Period"** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.

**"Board"** means the board of directors of the Company as constituted from time to time.

**"Cause"** means either: (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant, (B) the failure of the Participant to follow the Company's reasonable instructions with respect to the performance of his or her duties, (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company, (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud, or (E) any other act or omission of the Participant which would at law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

**"Change of Control"** means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to windup, dissolve or liquidate the Company;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

**"Code"** means the *U.S. Internal Revenue Code of 1986*, as amended from time to time, or any successor thereto.

**"Committee"** means the Board or, if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.

**"Company"** means Ucore Rare Metals Inc.

**"Consultant"** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Deferred Share Unit" or "DSU"** means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

**"Director"** means any individual who is a member of the Board.

**"Disability"** means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

**"Discounted Market Price"** has the meaning ascribed thereto in Policy 1.1 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Dividend Equivalent"** means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

**"Eligible Charitable Organization"** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Employee"** means any bona fide employee or officer of the Company or an Affiliate of the Company; provided, however, that Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

**"Exchange Hold Period"** means a four-month resale restriction imposed by the TSXV on:

- (a) Common Shares and securities convertible, exercisable or exchangeable into Common Shares (including Options) issued by the Company to:
  - (i) directors, officers and Promoters of the Company;
  - (ii) Consultants of the Company; or
  - (iii) Persons holding securities carrying more than 10% of the voting rights attached to the Company's securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Issuer, except in the case of securities whose Distribution (as such term is defined in the policies of the TSXV) was qualified by a Prospectus (as such term is defined in the policies of the TSXV) or which were issued under a take-over bid, rights offering or pursuant to an amalgamation or other statutory procedure;
- (a) Options granted by the Company to any Person with an exercise price that is less than the applicable Market Price; and

- (b) as required by subsection (e)(v) of the definition of Market Price in Policy 1.1 of the TSXV, securities issued at a price or deemed price that is less than \$0.05 except in the case of securities whose Distribution was qualified by a Prospectus or securities issued pursuant to Policy 4.5 – Rights Offerings of the TSXV;

**“Existing Awards”** means options to purchase 5,209,000 Shares and 55,710 DSUs granted by the Company under the Predecessor Plans prior to, but which remain outstanding as of, the Effective Date.

**“FMV”** means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the TSXV, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the TSXV less any discount permitted by the rules or policies of the TSXV.

**“Freestanding SAR”** means a SAR that is not a Tandem SAR, as described herein.

**“Grant Price”** means the price against which the amount payable is determined upon exercise of a SAR.

**“Insider”** has the meaning ascribed thereto in Policy 1.1 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**“Investor Relations Service Provider”** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**“ITA”** means the *Income Tax Act* (Canada).

**“Management Company Employee”** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**“Non-Employee Director”** means a Director who is not an Employee.

**“Notice Period”** means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

**“Option”** means the conditional right to purchase Shares at a stated Option Price for a specified period of time, subject to the terms of the Plan.

**“Option Price”** means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

**“Participant”** means a Person who is either an Employee, Non-Employee Director, Consultant, Management Company Employee or Eligible Charitable Organization who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.

**"Performance Period"** means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

**"Performance Share Unit"** means an Award granted under Article 10 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

**"Period of Restriction"** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

**"Person"** has the meaning set out in Policy 1.1 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Restricted Share Unit"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 8 herein and subject to the terms of the Plan.

**"Retirement"** or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted by the Board.

**"Security Based Compensation"** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Share Appreciation Right"** or **"SAR"** means the conditional right to receive the difference between the FMV of a Share on the date of exercise over the Grant Price, pursuant to the terms of Article 7 herein and subject to the terms of the Plan.

**"Shares"** means common shares of the Company.

**"Tandem SAR"** means a SAR that the Committee specifies is granted in connection with a related Option pursuant to Article 7 herein and subject to the terms of the Plan, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be cancelled) or a SAR that is granted in tandem with an Option but the exercise of such Option does not cancel the SAR, but rather results in the exercise of the related SAR. Regardless of whether an Option is granted coincident with a SAR: (a) a SAR is not a Tandem SAR unless so specified by the Committee at the time of grant; and (b) a Tandem SAR shall be considered two separate Awards under the Plan.

**"Termination Date"** means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

**"Trading Day"** means a day when trading occurs through the facilities of the TSXV.

**"TSXV"** means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

**"U.S. Participants"** means those Participants that are United States taxpayers.

**"Voting Securities"** means any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

**"VWAP"** means the volume weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of Shares traded for the five Trading Days immediately preceding the date of exercise of the subject Option.

### **ARTICLE 3 ADMINISTRATION**

#### **3.1 General.**

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.

#### **3.2 Authority of the Committee.**

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 14, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

#### **3.3 Delegation.**

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

### **ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS**

#### **4.1 Maximum Number of Shares Available for Awards.**

- (a) The maximum number of Shares issuable pursuant to Options issued under the Plan shall be equal to 10% of the then outstanding Shares on a rolling basis. To the extent that an Option lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Option shall again be available for the grant of an Option.

- (b) In addition to (and not inclusive of) the maximum number of Shares issuable pursuant to Options issued under the Plan as specified in Section 4.1(a), the Company may issue up to an additional 5,613,992 Shares, in the aggregate, pursuant to the exercise of SARs, RSUs, DSUs and PSUs issued under the Plan (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU).

#### **4.2 Award Grants to Individuals.**

The maximum number of Shares for which Awards may be issued to any one Person in any 12-month period shall not exceed 5% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the TSXV. The maximum number of Shares for which Awards may be issued to any one Consultant in any 12-month period must not exceed 2% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated on the date an Award is granted to the Consultant, as applicable.

#### **4.3 Award Grants to Investor Relations Providers.**

The maximum number of Shares for which Awards may be issued to any Consultant or Persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV) Person in any 12-month period shall not exceed 2% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated on the date an Award is granted to the Consultant or any such Person, as applicable. For greater certainty, no Awards other than Options may be issued to any Consultants or Persons retained to provide Investor Relations Activities. A press release is required at the time of grant for an issuance or amendment of an Award.

#### **4.4 Award Grants to Insiders.**

Unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU); and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU), calculated at the date an Award is granted to any Insider. A press release is required at the time of grant for an issuance or amendment of an Award.

#### **4.5 Adjustments in Authorized Shares.**

Subject to the approval of the TSXV (except in relation to a consolidation or stock split), in the event of any corporate event or transaction (collectively, a “**Corporate Reorganization**”) (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spinoff or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant or Share Appreciation Rights with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that



such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, including the approval of the TSXV, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, subject to any required approvals of the TSXV, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

#### **4.6 Existing Awards.**

Subject to any required approvals of the TSXV and compliance with applicable securities laws, all Existing Awards granted under the Predecessor Plan shall, from and after the Effective Date, be subject to and governed by the terms of the Plan.

#### **4.7 Exchange Hold Period.**

While the Common Shares are listed on the TSXV, the Exchange Hold Period is applicable and Options subject to an Exchange Hold Period must be legended accordingly in accordance with the policies of the TSXV.

#### **4.8 Specific Allocation**

The Company cannot grant or issue an Award hereunder unless and until the Award has been allocated to a particular Participant.

### **ARTICLE 5 ELIGIBILITY AND PARTICIPATION**

#### **5.1 Eligibility.**

Only Participants are eligible to receive Awards from the Company. Prior to a grant to an Employee, Consultant or Management Company Employee, the Company and the Participant must confirm that the Participant is a bona fide Employee, Consultant or Management Company Employee of the Company.

#### **5.2 Actual Participation.**

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

## **ARTICLE 6 STOCK OPTIONS**

### **6.1 Grant of Options.**

Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

### **6.2 Award Agreement.**

Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

### **6.3 Option Price.**

The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant and shall not be less than the Discounted Market Price

### **6.4 Vesting of Options**

Each Option granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Each Option issued to any Consultant or Persons (in the aggregate) retained to provide Investor Relations Activities must vest

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

### **6.5 Duration of Options.**

Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to Section 6.6, no Option shall be exercisable later than the tenth (10th) anniversary date of its grant.

### **6.6 Blackout Periods.**

If the date on which an Option is scheduled to expire occurs during a Company-imposed Blackout Period applicable to a Participant, then the expiry date for such Participant's Option shall be automatically extended to the end of the day that is 10-business days after the expiry of the Blackout Period.

### **6.7 Exercise of Options.**

Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

### **6.8 Payment.**

- (a) Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the

Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.

- (b) Subject to Section 6.8(c), the Option Price upon exercise of any Option shall be payable to the Company in full by direct deposit, certified cheque, bank draft or wire transfer. As soon as practicable after receipt of a notification of exercise and the Company's receipt of the full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the Person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15<sup>th</sup> day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).
- (c) Subject to Board approval, but excluding Options held by an Investor Relations Service Provider, a Participant may elect, in its sole discretion, to undertake: (i) a "cashless exercise" pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price of the Option and all applicable required withholding obligations contemplated under the Plan against delivery of the Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Participant surrendering the applicable portion of a then-vested and exercisable Option to the Company, that number of Shares, disregarding fractions, equal to the value of the exercise price of the Option. In connection with such net exercise, the Participant shall be entitled to receive such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

$$a = \frac{b \times c - d}{c}$$

where:

a = the net number of Shares to be issued to the Participant;

b = the number of Shares under the Option being exercised;

c = the VWAP; and

d = the exercise price of the Option.

In the event of a cashless or net exercise pursuant hereto, the Participant shall comply with: (i) all applicable withholding obligations under the Plan; and (ii) all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time, including prior written consent of the Board, in connection with such exercise. No fractional Shares will be issued upon a Participant making an election pursuant to this Section 6.8(c). If the number of Shares to be issued to the Participant in the event of such an election would otherwise include a fraction of a Share, the Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. For greater certainty, in determining all limits under the Plan, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued in connection with a Cashless Exercise or a Net Exercise, will be included in the calculation of such limits.

## **6.9 Death, Disability, Retirement and Termination or Resignation of Employment.**

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
  - (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Notwithstanding the forgoing, all Options must expire within twelve months following the Participant's death.

- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a)-6.9(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Options shall automatically and immediately expire and be forfeited, and
  - (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Notwithstanding any determination of the Board or the terms of the applicable Award Agreement, all Options must expire within 12 months following the date on which the Person ceases to be an eligible Participant.

#### **6.10 Non-transferability of Options.**

An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

### **ARTICLE 7 SHARE APPRECIATION RIGHTS**

#### **7.1 Grant of SARs.**

Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time and upon such terms as shall be determined by the Committee in its discretion. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement. The Grant Price may be based on one hundred percent (100%) of the FMV of the Shares on the date of grant, or set at a premium to the FMV of the Shares on the date of grant, or be indexed to the FMV of the Shares on the date of grant, with the index determined by the Committee, in its discretion, provided that the Grant Price may never be less than the FMV of the Shares on the date of Grant. The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

#### **7.2 SAR Agreement.**

Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and any such other provisions as the Committee shall determine.

#### **7.3 Term of SAR.**

The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and subject to Section 7.4, no SAR shall be exercisable later than the tenth (10<sup>th</sup>) anniversary date of its grant.

#### **7.4 Blackout Periods.**

If the date on which a SAR is scheduled to expire occurs during a Company-imposed Blackout Period applicable to a Participant, then the expiry date for such Participant's SAR shall be automatically extended to the end of the day that is 10-business days after the expiry of the Blackout Period.

#### **7.5 Exercise of Freestanding SARs.**

Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

#### **7.6 Exercise of Tandem SARs.**

With respect to Participants who are not subject to taxation under the ITA, Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, if applicable. With respect to Participants subject to taxation under the ITA, prior to exercising a Tandem SAR the Participant must elect to receive the Tandem SAR in consideration for the disposition of that Participant's right to receive Shares under the Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable.

## **7.7 Payment of SAR Amount.**

Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the FMV of the underlying Shares on the date of exercise over the Grant Price. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value (based on the FMV of the Shares on the date of exercise of the SAR, as defined in the Award Agreement or otherwise defined by the Committee thereafter), in some combination thereof, or in any other form approved by the Committee at its sole discretion (subject to compliance with the rules of the TSXV). Payment shall be made no earlier than the date of exercise nor later than 2&1/2 months after the close of the year in which the SAR is exercised. The Committee's determination regarding the form of SAR payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the SAR (subject to compliance with the rules of the TSXV).

## **7.8 Termination of Employment.**

Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any SAR be exercisable for more than 12 months after the Termination Date.

## **7.9 Non-transferability of SARs.**

A SAR granted under the Plan may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the SAR shall continue to be subject to the terms of the Plan). Further, all SARs granted to a Participant under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

## **7.10 Vesting of SARs.**

Each SAR granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no SAR may vest before the date that is one year following the date of grant.

# **ARTICLE 8 RESTRICTED SHARE UNITS**

## **8.1 Grant of Restricted Share Units.**

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

## **8.2 Restricted Share Unit Agreement.**

Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee (provided that such other form of payment complies with the rules of the TSXV), and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time-based

restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV.

### **8.3 Vesting of Restricted Share Units.**

Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no Restricted Share Unit granted shall vest and be payable after December 31st of the third calendar year following the year of service for which the Restricted Share Unit was granted. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no RSU may vest before the date that is one year following the date of grant.

### **8.4 Blackout Periods.**

If the date on which a Restricted Share Unit is scheduled to expire occurs during a Company-imposed Blackout Period applicable to a Participant, then the expiry date for such Participant's Restricted Share Unit shall be automatically extended to the end of the day that is 10-business days after the expiry of the Blackout Period.

### **8.5 Non-transferability of Restricted Share Units.**

The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

### **8.6 Dividends and Other Distributions.**

During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units, and will be required to make payment in cash if the issuance of the dividend or Dividend Equivalent would result in the Company surpassing the limitations set forth in Sections 4.1, 4.2, 4.3 or 4.4 of the Plan.

### **8.7 Death, Disability, Retirement and Termination or Resignation of Employment.**

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
  - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.

Notwithstanding the forgoing, all RSU's must expire within twelve months following the Participant's death.

- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 8.7(a)-8.7(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

Notwithstanding the forgoing, all RSU's must expire within twelve months following the date that the Person ceases to be an eligible Participant under the Plan.

- (f) Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion (provided that such other form of payment complies with the rules of the TSXV). The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2&1/2 months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31st of the third year following the year of the grant date.

## **ARTICLE 9 DEFERRED SHARES UNITS**

### **9.1 Grant of Deferred Share Units.**

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.



## **9.2 Deferred Share Unit Agreement.**

Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

## **9.3 Non-transferability of Deferred Share Units.**

The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

## **9.4 Blackout Periods.**

If the date on which a Deferred Share Unit is scheduled to expire occurs during a Company-imposed Blackout Period applicable to a Participant, then the expiry date for such Participant's Award shall be automatically extended to the end of the day that is 10-business days after the expiry of the Blackout Period.

## **9.5 Dividends and Other Distributions.**

Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Deferred Share Units, and will be required to make payment in cash if the issuance of the dividend or Dividend Equivalent would result in the Company surpassing the limitations set forth in Sections 4.1, 4.2, 4.3 or 4.4 of the Plan.

## **9.6 Termination of Employment, Consultancy or Directorship.**

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Deferred Share Unit be retained for more than 12 months after the Termination Date.

## **9.7 Payment in Settlement of Deferred Share Units.**

When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price for the Deferred Share Units being settled, if any, multiplied by the number of Deferred Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, (iii) in some combination thereof, or (iv) in any other form (provided that such other form of payment complies with the rules of the TSXV), all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

## **9.8 Vesting of DSUs**

Each DSU granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no DSU may vest before the date that is one year following the date of grant.

## **ARTICLE 10 PERFORMANCE SHARE UNITS**

### **10.1 Grant of Performance Share Units.**

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

### **10.2 Value of Performance Share Units.**

Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

### **10.3 Earning of Performance Share Units.**

Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

### **10.4 Form and Timing of Payment of Performance Share Units.**

Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of: (i) cash equal to the value of the earned Performance Share Units at the end of the applicable Performance Period, (ii) a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period, or (iii) in a combination thereof (subject to compliance with the rules of the TSXV). Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31st of the third year following the year of the grant date.

### **10.5 Dividends and Other Distributions.**

Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Performance Share Units, and will be required to make payment in cash if the issuance of the dividend or Dividend Equivalent would result in the Company surpassing the limitations set forth in Sections 4.1, 4.2, 4.3 or 4.4 of the Plan.

#### **10.6 Termination of Employment, Consultancy or Directorship.**

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Performance Share Unit be retained for more than 12 months after the Termination Date.

#### **10.7 Non-transferability of Performance Share Units.**

Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the Performance Share Units shall continue to be subject to the terms of the Plan). Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

#### **10.8 Vesting of Performance Share Units**

Each Performance Share Units granted to a Participant shall vest at such time(s) as the Committee shall determine at the time of grant and shall be specified in the Award Agreement. Other than in connection with a Corporate Reorganization, Change of Control or upon the death of a Participant, no Performance Share Unit may vest before the date that is one year following the date of grant.

### **ARTICLE 11 BENEFICIARY DESIGNATION**

#### **11.1 Beneficiary.**

A Participant's "beneficiary" is the Person or Persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

#### **11.2 Discretion of the Committee.**

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

### **ARTICLE 12 RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

#### **12.1 Employment.**

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without

giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

## **12.2 Participation.**

No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No Person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

## **12.3 Rights as a Shareholder.**

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

# **ARTICLE 13 CHANGE OF CONTROL**

## **13.1 Discretion of Board.**

Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards (provided, however, that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the TSXV is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participant, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

## **13.2 Non-Occurrence of Change of Control.**

In the event that any Awards are conditionally exercised pursuant to Section 13.1 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.

## **13.3 Agreement with Purchaser in a Change of Control.**

In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

## **ARTICLE 14 AMENDMENT AND TERMINATION**

### **14.1 Amendment and Termination.**

The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the TSXV, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

### **14.2 Reduction of Option Price or Grant Price.**

Disinterested shareholder approval as required by the policies of the TSXV shall be obtained for any reduction in the Option Price of an Option, the Grant Price of a SAR (subject to the approval of the TSXV) or the extension of the term any Option if the Participant is an Insider of the Company at the time of the proposed amendment.

## **ARTICLE 15 WITHHOLDING**

### **15.1 Withholding.**

The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

### **15.2 Acknowledgement.**

Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

## **ARTICLE 16 SUCCESSORS**

Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

## **ARTICLE 17 GENERAL PROVISIONS**

### **17.1 Delivery of Title.**

The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

#### **17.2 Investment Representations.**

The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

#### **17.3 Uncertificated Shares.**

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of the TSXV.

#### **17.4 No Fractional Shares.**

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

#### **17.5 Other Compensation and Benefit Plans.**

Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

#### **17.6 No Constraint on Corporate Action.**

Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

#### **17.7 Compliance with Canadian Securities Laws.**

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

#### **17.8 Compliance with U.S. Securities Laws.**

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the *U.S. Securities Act of 1933*, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

## **ARTICLE 18 LEGAL CONSTRUCTION**

### **18.1 Gender and Number.**

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

### **18.2 Severability.**

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

### **18.3 Requirements of Law.**

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate 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.

### **18.4 Governing Law.**

The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

### **18.5 Compliance with Section 409A of the Code.**

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of “deferred compensation” within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute “deferred compensation” for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of “change in control event”, “disability”, or “separation from service”, as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.
- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 18.5 will apply to a Participant who is subject to taxation under the ITA.