



NOTICE OF ANNUAL GENERAL MEETING

The Annual General and Special Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Queen's Road Capital Investment Ltd. (the "**Company**" or "**QRC**") will be held at Cheung Kong Center, Suite 2006, 2 Queen's Road Central, Hong Kong at 9:00 a.m. (Hong Kong time) on Thursday December 22, 2022 for the following purposes:

1. to receive the audited financial statements of the Company for the year ended August 31, 2022 and the auditor's report thereon;
2. to set the number of directors of the Company (the "Board") at five (5) for the ensuing year;
3. to elect directors for the ensuing year;
4. to re-appoint KPMG LLP, Chartered Professional Accountants, as auditor for the ensuing year and to authorize the Board to fix the auditor's remuneration;
5. to approve unallocated stock options under the stock option plan of the Company;
6. to authorize and approve the adoption of the Company's 2022 10% rolling stock option plan; and
7. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular dated November 28, 2022 accompanying this Notice.

The board of directors of the Company (the "**Board**") have fixed the record date for the Meeting as the close of business on November 17, 2022.

Registered shareholders of the Company who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed Proxy and return it by mail, hand delivery or fax to our transfer agent, Computershare Investor Services Inc., as follows:

1. By mail or by hand: Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Canada M5J 2Y1; or
2. By facsimile to +1-416-263-9524 or +1-866-249-7775

Alternatively, you may vote through the internet at www.investorvote.com or by telephone at +1-866-732-8683 (toll free). You will require your 15-digit control number found on your proxy form to vote through the internet or by telephone.

Beneficial or non-registered Shareholders should follow the instructions on the Voting Instruction Form provided by the intermediaries with respect to the procedures to be followed for voting at the Meeting.

DATED at Hong Kong, this 25th day of November 2022

BY ORDER OF THE BOARD

Warren Gilman
Chairman of the Board

TABLE OF CONTENTS

PROXY INFORMATION	- 1 -
Solicitation of Proxies	- 1 -
Appointment of Proxyholders	- 1 -
Voting by Proxyholder	- 1 -
Registered Shareholders	- 2 -
Beneficial Shareholders	- 2 -
Revocation of Proxies	- 3 -
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES	- 4 -
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON	- 4 -
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	- 5 -
INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS	- 5 -
PARTICULARS OF MATTERS TO BE ACTED UPON	- 5 -
Financial Statements	- 5 -
Number of Directors	- 5 -
Election of Directors	- 6 -
Approval of 2022 Stock Option Plan	- 9 -
Appointment and Remuneration of Auditor	- 11 -
OTHER BUSINESS	- 11 -
STATEMENT OF EXECUTIVE COMPENSATION	- 11 -
Compensation Discussion and Analysis	- 11 -
Compensation Philosophy, Objectives and Governance	- 12 -
Compensation Process	- 13 -
NAMED EXECUTIVE OFFICER COMPENSATION	- 16 -
Summary Compensation Table	- 16 -
Stock Options	- 17 -
Option-based awards – Value Vested or Earned During the Year	- 17 -
Consultancy Agreements	- 18 -
Termination and Change of Control Benefits	- 18 -
DIRECTOR COMPENSATION	- 19 -
Outstanding Option-based Awards	- 20 -
Option-Based Awards - Value Vested or Earned During the Year	- 20 -
Stock Option Plans	- 21 -
CORPORATE GOVERNANCE PRACTICES	- 28 -
Board of Directors	- 29 -
CCGN Committee	- 34 -
Director Term Limits and Other Mechanisms of Board Renewal	- 36 -
Policies Regarding the Representation of Women on the Board	- 36 -
Consideration of the Representation of Women in Director Identification and Selection	- 36 -
Consideration of the Representation of Women in Executive Officer Appointments	- 37 -
Audit Committee	- 37 -
ADDITIONAL INFORMATION	- 38 -
SCHEDULE "A" 2022 OPTION PLAN	A-1

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QUEEN'S ROAD CAPITAL INVESTMENT LTD.

MANAGEMENT INFORMATION CIRCULAR

(all information is as at November 17, 2022 unless otherwise noted)

PROXY INFORMATION

Solicitation of Proxies

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Queen's Road Capital Investment Ltd. ("**QRC**" or the "**Company**") for use at the annual general and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") to be held on December 22, 2022, and at any adjournments thereof at the time and place, and for the purposes, set forth in the accompanying Notice of Meeting.

While it is expected that the solicitations will be primarily by mail, proxies may be solicited personally or by telephone, without special compensation, by directors, officers and regular employees of QRC or by agents retained for that purpose. The Company does not have any contract or arrangement for the solicitation with any specially engaged employees or soliciting agents. The Company does not reimburse Shareholders' nominees or agents (including brokers and other persons holding shares on behalf of clients) for any costs incurred in obtaining from their principals proper authorization to execute proxies. The Company does not reimburse brokers and other persons holding shares in their own name or in the names of their nominees for expenses incurred in sending proxies and proxy materials to the beneficial owners thereof in obtaining their proxies. All costs of all solicitations on behalf of management will be borne by the Company. The Company will not be sending meeting materials using the "notice-and-access" procedure under NI 54-101.

For the purposes of Item 3 of Form 51-102F5 under National Instrument 51-102 - Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company advises that no director of the Company has informed management in writing that such director intends to oppose any action intended to be taken by management at the Meeting.

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

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

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered shareholders of the Company ("**Registered Shareholders**") may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

Beneficial Shareholders

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

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

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs, should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting, and the appointment of any shareholder's representative.

If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue up to 5,000,000,000 Common Shares with a par value of CAD\$0.001, of which 452,266,991 Common Shares were issued and outstanding on November 17, 2022, the record date (the "**Record Date**") for the Meeting. Each Common Share carries the right to one vote on any poll at meetings of Shareholders. The Company has no other class of voting securities.

In respect of currently issued and outstanding Common Shares, those persons entitled to receive notice of and to attend and vote at the Meeting in person or by Proxy will be determined by the record of Registered Shareholders of QRC at 4:00 p.m. (Hong Kong time) on the Record Date. If the Company should issue additional Common Shares from treasury after the Record Date, the person or persons to whom those shares are issued shall not be entitled to receive notice of or vote at the Meeting.

The quorum required for the transaction of business at the Meeting is two or more Shareholders present in person or by proxy or, if a corporation, by its authorised representative throughout the Meeting.

To the best of the knowledge of our directors and senior officers, no person or corporation beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all of our issued Common Shares other than:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Wyloo Metals Pty Ltd	114,515,105	25.3%
Corom Pty Ltd	71,490,003	15.8%
BBRC International Pte Ltd	61,064,366	13.5%

As of the date hereof, the directors and executive officers of the Company, as a group, owned beneficially, directly or indirectly, or exercised control or direction over, approximately 41,931,327 Common Shares representing approximately 9.3% of the issued Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

For the purpose of this paragraph, "person" shall include each person or company: (a) who has been a director or executive officer of the Company at any time since the commencement of the Company's

last financial year; (b) who is a proposed nominee for election as a director of the Company; and (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS

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

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The Company's financial statements for the financial year ended August 31, 2022 together with the auditors' report thereon and related management's discussion & analysis will be placed before the Shareholders at the Meeting. The financial statements are available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com and on the Company's website at www.queensrdcapital.com. No vote by Shareholders with respect to the financial statements is required or proposed to be taken.

Number of Directors

Management proposes that the number of directors on the Company's board be set at five (5) for the ensuing year.

Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of directors elected for the ensuing year at five (5), subject to such increases as may be permitted by the articles of the Company and the provisions of the Corporations Act of the Cayman Islands.

We recommend a vote "FOR" the approval of the resolution setting the number of directors at five (5).

In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the resolution setting the number of directors at five (5).

Election of Directors

Each director of the Company holds office until the conclusion of the first annual general meeting of Shareholders held after his or her appointment, election or re-election, unless that person ceases to be a director or withdraws his or her consent to stand for re-election before such meeting. Accordingly, each person elected or re-elected as a director at the Meeting will hold office until the conclusion of the next annual general meeting of Shareholders unless that person ceases to be a director or withdraws his or her consent to stand for re-election before such meeting.

Director Nominees

The five persons named in the table below are management's nominees for election at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a Director.

The following table sets out the names of management's nominees for election as directors, their respective Province or State and Country of residence, the periods during which incumbent directors have served as directors and their committee memberships, the positions and offices with the Company and its subsidiary held by each nominee, if any, the present principal occupation business or employment of each nominee, including the name and principal business of any company in which such employment is carried on, and the number of Common Shares and percentage of the issued Common Shares, and the number of incentive stock options ("**Options**") beneficially owned, or controlled or directed, by each nominee as of the date of this Circular.

Name, Province or State and Country of Residence⁽¹⁾, and Office Held	Principal Occupation, Business or Employment⁽¹⁾	Director Since⁽²⁾	Number of Common Shares⁽³⁾ and other securities beneficially owned, directly, or indirectly, or controlled or directed
Warren Gilman⁽⁵⁾ Hong Kong <i>Chairman, Non-Independent Director & Chief Executive Officer</i>	Founder and Director of Queen's Road Central Capital Ltd., a Hong Kong-based consulting business, since 2019. Chairman and CEO of the Company since January 2020. Director of QRC Nexgen Investment Ltd. since July 2021.	May 2, 2019	36,408,527 common shares (8.1%) ⁽⁶⁾ 17,500,000 options

Name, Province or State and Country of Residence ⁽¹⁾ , and Office Held	Principal Occupation, Business or Employment ⁽¹⁾	Director Since ⁽²⁾	Number of Common Shares ⁽³⁾ and other securities beneficially owned, directly, or indirectly, or controlled or directed
Alex Granger⁽⁴⁾ Hong Kong <i>Non-Independent Director & President</i>	Director of the Company since 2019. President of the Company since January 2020. Director of QRC Nexgen Investment Ltd. since July 2021.	May 2, 2019	2,805,668 common shares (<1%) 11,000,000 options
Michael Cowin⁽⁴⁾⁽⁵⁾ NSW, Australia <i>Independent Director</i>	Principal of Corom Funds Management Pty Ltd., an Australia-based investment company, since 2018. Equity partner and Director of Northcape Capital Pty Ltd., an Australia-based investment fund from 2008 to 2018.	Feb 12, 2020	2,849,711 common shares (<1%) ⁽⁷⁾ 3,000,000 options
Donald Roberts⁽⁴⁾⁽⁵⁾ Hong Kong <i>Independent Director</i>	Retired Group Deputy Chief Financial Officer of Hutchison Whampoa Limited, a predecessor to CK Hutchison Holdings Limited, a Hong Kong-based investment company.	Feb 12, 2020	863,541 common shares (<1%) 2,000,000 options
Peter Chau Hong Kong <i>Independent Director</i>	Managing Director and Chief Investment Officer of Infiniti Investment Management Ltd., a Hong Kong-based investment company, since 2005.	Nov 5, 2020	750,000 common shares (<1%) 1,500,000 options

Notes:

- (1) The information as to state and country of residence, principal occupation, business or employment has been furnished by the respective nominees,
- (2) The term of office of each director expires after the conclusion of the next annual general meeting of Shareholders following the director's election or appointment to the Board.
- (3) Information regarding the ownership of the Company's Common Shares has been taken from their respective filings on the System for Electronic Disclosure by Insiders ("SEDI") at www.sedi.ca.
- (4) Messrs. Roberts (Chair), Granger and Cowin are members of the Audit Committee.
- (5) Messrs. Cowin (Chair), Gilman and Roberts are members of the CCGN Committee.
- (6) The amount in brackets represents the percentage held of the issued Common Shares.
- (7) Includes 1,139,757 Common Shares held by Corom Investments Pty Ltd., 855,157 Common Shares held by Bunkwee Investments Pty Ltd. and 854,797 Common Shares held by JJC FT Pty Ltd., all companies controlled by Michael Cowin.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Form 51-102F5 also requires disclosure of certain background information on nominees. The Company has confirmed with the nominees that no proposed director:

- (a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director, CEO or CFO of any company (including the Company) that:

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Circular, or has been within ten 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;
- (c) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to:
 - (i) 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
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Majority Voting Policy

As part of the Company's corporate governance practices, the Board adopted a Majority Voting Policy that requires, in an uncontested election of directors, any nominee for election as a director who receives a greater number of votes "withheld" than votes "for" to tender his or her resignation to the Chairman of our Board promptly following the shareholders' meeting.

The Compensation, Corporate Governance and Nomination Committee (the "**CCGN Committee**") will then consider the offer of resignation and make a recommendation to the Board on whether to accept it. In considering whether or not to recommend acceptance of the resignation, the CCGN Committee will consider all factors deemed relevant by its members. The CCGN Committee will be expected to recommend acceptance of the resignation except in exceptional circumstances where the consideration would warrant the applicable director continuing to serve on the Board.

The Board will make its final decision and announce it in a news release within 90 days following the shareholders' meeting. A director who tenders his resignation pursuant to this policy will not participate in any meeting of the Board or the CCGN Committee at which the resignation is considered.

We recommend a vote "FOR" the election of each of the nominees.

In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of Proxy intend to vote FOR the election of the nominees.

Approval of Unallocated Options

In accordance with the policies of the TSX, unallocated options under "rolling" stock option plans must receive shareholder approval three (3) years from the date of listing on the TSX and every three (3) years thereafter. On July 6, 2022, the Common Shares were listed on the TSX (prior thereto the Common Shares were listed on the TSXV). As of the date of this Circular, the Company has 38,650,000 Options allocated and outstanding under the Old Option Plan, representing 8.5% of the issued and outstanding Common Shares, and there are 6,576,699 Options unallocated that may be granted in the future under the 2022 Option Plan. The unallocated portion represents the maximum future grants available under the 2022 Option Plan.

The Board believes that the passing of the following resolution is in the best interests of the Company and recommends that Shareholders vote in favour of the below resolutions, which approves the grant of unallocated Options. At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

BE IT RESOLVED THAT:

1. all unallocated stock options issuable pursuant to the 2022 Option Plan are hereby approved and authorized;
2. the Company have the ability to continue granting options under the 2022 Option Plan until December 22, 2025, being the date that is three (3) years from the date of this resolution;
3. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

If the necessary Shareholder approval is not obtained at the Meeting, the Company will no longer be able to: (i) issue Common Shares from treasury upon the exercise of unallocated Options, being Options which have not been granted as of December 22, 2022; or (ii) authorize and issue further grants of Options under the Old Option Plan after December 22, 2022. Options granted prior to this date will continue to be unaffected by the approval or disapproval of this resolution; provided, however, that if any such Options are cancelled prior to being exercised, they will not be available for reallocation unless the resolution is approved.

We recommend a vote "FOR" the approval of the unallocated options.

In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of unallocated options.

Approval of 2022 Stock Option Plan

On November 25 2022, the Board approved a new stock option plan (the "**2022 Option Plan**"), for which Shareholder approval is sought at the Meeting. The Company's existing stock option plan (the "**Old Option Plan**") was last approved at the Company's December 22, 2021 annual general meeting. The terms of the Old Option Plan complied with the policies of the TSX Venture Exchange (the "**TSXV**"), the stock exchange on which the Common Shares were then listed. The Company graduated

to the Toronto Stock Exchange (the "TSX") on July 6, 2022, and the 2022 Option Plan brings the Company's option plan into compliance with the TSX requirements which now apply to the Company.

The purpose of the 2022 Option Plan remains the same as the purpose of the Old Option Plan - to provide directors, officers, employees and consultants of the Company or any of its subsidiaries with an incentive to participate in the long-term success of the Company and to promote the alignment of their interests with the interests of the Shareholders. Subject to its approval, the 2022 Option Plan will be administered by the Board, or, as permitted by applicable law, the the CCGN Committee of the Board.

The principal differences between the 2022 Option Plan and the Old Option Plan are as follows:

- the aggregate number of Common Shares that may be issued pursuant to the exercise of Options and all other security-based compensation arrangements is limited to 10% of the Common Shares outstanding from time to time, subject to certain limitations in respect of the maximum number of Common Shares issuable to insiders (as defined under the policies of the TSX) – the Old Option Plan had a 10% limit, but did not include a term which said that other security-based compensation counted towards the 10%);
- under the 2022 Option Plan, the Board's right to fix the exercise price for Options on the grant date is restricted to be not less than the volume weighted average trading price (the "VWAP") of the Common Shares on the TSX for the five (5) days immediately preceding the grant date. Under the Old Option Plan, the exercise price could by fixed by the Board, granted it was no lower than the exercise price permitted by the exchange such Common Shares were listed on;
- in lieu of paying cash on the exercise of Options, the 2022 Option Plan provides participants the right to acquire, without cash payment, such number of Common Shares as is determined by: (i) subtracting the exercise price from the closing price of the Common Shares on the date of exercise; (ii) multiplying the difference by the number of Common Shares in respect of which the Option was otherwise being exercised; and (iii) dividing that product by such closing price of the Common Shares. Under the Old Option Plan, option holders were required to pay the full exercise price of their options in cash and cashless exercise was not permitted;
- the 2022 Option Plan provides that in the event of a change of control (as such term is defined in the 2022 Option Plan), all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable; and
- the 2022 Option Plan requires TSX and/or Shareholder approval in respect of certain future amendments to the 2022 Option Plan.

A more detailed description of the terms of the 2022 Option Plan is provided under the heading "*Statement of Executive Compensation – Stock Option Plan -- 2022 Option Plan*" in this Circular. The full text of the 2022 Option Plan is attached as Schedule "A" to this Circular. For a discussion of the terms of the Old Option Plan, see "*Statement of Executive Compensation – Stock Option Plan – Old Option Plan*" in this Circular.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

BE IT RESOLVED THAT

1. the 2022 Option Plan be and is hereby approved; and

- any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

We recommend a vote "FOR" the approval of the 2022 Option Plan.

In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the 2022 Option Plan.

Appointment and Remuneration of Auditor

Shareholders will be asked to approve the re-appointment of KPMG LLP, Chartered Professional Accountants, as the Company's auditor to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the directors.

KPMG LLP, Chartered Professional Accountants, have served as our auditor since January 7, 2021.

We recommend a vote "FOR" the re-appointment of KPMG LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the re-appointment of KPMG LLP.

OTHER BUSINESS

If other matters are properly brought up at the Meeting, you (or your proxyholder, if you are voting by proxy) can vote as you see fit. We are not aware of any other items of business to be considered at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

For the purpose of this statement of executive compensation, a "CEO" or "CFO" means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Company or acted in a similar capacity during the most recently completed financial year. A "Named Executive Officer" or "NEO" means each CEO, each CFO, the Company's most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of the financial year.

Based on the foregoing definitions, the Company's Named Executive Officers in respect of the year ended August 31, 2022 were Warren Gilman, Chairman, CEO and a director; Alex Granger, President and a director, and Vicki Cook, CFO.

Compensation Philosophy, Objectives and Governance

Compensation of Named Executive Officers and directors is determined based on discussion by the Board of Directors. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and results with a view to increasing long-term shareholder value; and (b) align management's interests with the long-term interests of shareholders.

The Board evaluates individual executive performance with the goal of setting compensation at levels that they believe are comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation, the Board base their decisions on their general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Company's relative performance and strategic goals.

The CCGN Committee was formed by the Board on August 31, 2020. The CCGN Committee reviews and makes recommendations to the Board in its oversight role with respect to, among other things:

- (a) fair compensation of executive officers and directors of the Company;
- (b) performance of the CEO and CEO succession planning;
- (c) individuals qualified to become new directors of the Company, while giving equal consideration to women for board positions;
- (d) director nominees for the next annual meeting of Shareholders;
- (e) the policies of the Board on an annual basis and, if considered appropriate by the CCGN Committee, suggest changes to the Board;
- (f) performing such tasks as indicated in the Company's Corporate Governance Guidelines; and
- (g) administering the Code and other relevant policies of the Company.

The CCGN Committee is composed of a minimum of three (3) directors. The current members of the CCGN Committee are Messrs. Gilman, Cowin and Roberts. Messrs. Cowin and Roberts are each independent directors within the meaning of NI 52-110. Mr. Cowin is the Chairman of the CCGN Committee.

Each member of the CCGN Committee has the necessary experience to enable him to make decisions on the suitability of the Company's compensation policies or practices.

Prior to joining the Company, Mr. Gilman was a founder of the Canadian Imperial Bank of Commerce ("CIBC") Global Mining Team in Toronto in 1988. He subsequently led the team's efforts out of Australia and Hong Kong. During his time with CIBC, Mr. Gilman was responsible for some of the largest equity capital markets financings in Canadian mining history. From 2011, Mr. Gilman led CEF Holdings Ltd., a global mining investment company, owned 50% by CIBC and 50% by CK Hutchison Holdings Ltd. Mr. Gilman has a Bachelor of Science degree in Mining Engineering from the Queen's University and a Masters of Business Administration from the Ivey Business School at Western University.

Mr. Cowin is the Principal of Corum Funds Management Pty. Ltd., an entity managing the Cowin family office investments. He is also Chairman of Domino's Pizza Japan Inc. and a Director of Apache

Industrial Services, CTE Investments, Rockmaster Resources Corp. and Walcott Resources Ltd. Mr. Cowin has over 25 years investment experience in the wholesale funds management sector in Australia. From 2007 to 2018, he was an equity partner and Director of Northcape Capital Pty. Ltd., a boutique investment fund which managed over A\$10 billion. He was the portfolio manager for the Emerging Companies Fund at Northcape Capital. Prior to Northcape Capital, Mr. Cowin was a senior portfolio manager at AMP from 2004-2007 where he ran the AMP Small Companies Fund. From 2003-2004, he managed the Small Companies Fund at UBS managing 'small cap' money. Mr. Cowin has a Bachelor of Chemical Engineering (Honours) from the University of NSW and a Masters of Business Administration from the Australian Graduate School of Management.

Mr. Roberts is an Independent Non-executive Director ("**INED**") and a member of the Audit and Nomination Committees of CK Asset Holdings and CK Life Sciences Int'l., (Holdings) Inc. (both listed in Hong Kong); a member of the Remuneration Committee of CK Life Sciences Int'l., (Holdings) Inc. and an INED and Chairman of the Audit and Remuneration Committees of HK Electric Investments (listed in Hong Kong). He is also an INED of Welab Bank Limited, a licensed virtual bank in Hong Kong. Don had a successful career with CK Hutchison Holdings (formerly Hutchison Whampoa Limited ("**HWL**")), a Fortune 500 company listed in Hong Kong. He joined HWL in 1988 and was the Group Deputy Chief Financial Officer of HWL from 2000 until his retirement in 2011. Prior to that, he completed his professional training with PricewaterhouseCoopers in Canada and held senior manager positions in their offices in Europe and Hong Kong. Mr. Roberts was a Member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited from July 2015 to July 2020. Don has lived and worked in Hong Kong since 1984 and has served as a Governor and a member of the Executive Committee of The Canadian Chamber of Commerce (the "**Chamber**") in Hong Kong. He is currently a Governor of the Chamber. Don served as a Governor of the Canadian International School of Hong Kong for the periods between 1998 to 2004, and between 2006 to 2012 and also as a member on its Finance & Administration Committee. Mr. Roberts served as a member, including as the Deputy Chairman, of the Professional Conduct Committee of the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for 9 years. He holds a Bachelor of Commerce degree from the University of Calgary and is a Chartered Accountant with the Chartered Professional Accountants of Canada, Alberta and British Columbia, and a Fellow of the HKICPA.

Compensation Process

The CGGN Committee is responsible for reviewing and recommending to the Board all compensation arrangements for the NEOs of the Company and the directors, including stock option grants, on an annual basis.

Elements of Executive Compensation

The executive officer compensation consists of three basic elements: i) base salary; ii) the payment of bonuses where appropriate, at the discretion of the Board, and ii) incentive stock options. The base salary established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Board. In deciding on the salary portion of the compensation of the executive officers, major consideration is given to the fact that the Company is an early stage exploration company and must rely mainly on funds raised from equity financing. Therefore, greater emphasis may be put the achievement of set strategic investments for the payment of bonuses and on incentive stock option compensation. The incentive stock option portion of the compensation is designed to provide the executive officers of the Company with a long term incentive in developing the Company's business. Options granted under the Company's stock option plan are approved by the Board, and if applicable, its subcommittees, after consideration of the Company's overall performance and whether the Company has met targets set out by the executive officers in their strategic plan.

As at the year ended August 31, 2022, the significant elements of compensation awarded to the NEOs were cash salaries, cash bonuses and Options. The Board reviews annually the total compensation package of each of the Company's executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

Cash Salary and Bonus

Base compensation and bonus for executive officers of the Company is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions and peer group analysis. In setting base compensation and bonus levels, consideration is to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the TSX. Subjective factors such as leadership, commitment and attitude are also to be considered.

Options

As part of the long-term component to the executive compensation program, executive officers of the Company are eligible to receive Options. The maximization of shareholder value is encouraged by granting Options since it provides an incentive to eligible persons to further the development, growth and profitability of the Company. Consideration will be given to granting Options amongst the various organizational levels of management, including directors, officers, employees and certain consultants. The CEO makes recommendations to the Board for the CFO, employees and certain consultants. These recommendations are to take into account factors such as awards made in previous years, the number of options and share awards outstanding per individual and the level of responsibility. The Board, as a whole, determines the Options to be issued to the CEO.

Pension Plans

The Company does not have any form of pension plan that provides for payments or benefits to the NEOs at, following or in connection with retirement. The Company does not have any form of deferred compensation plan.

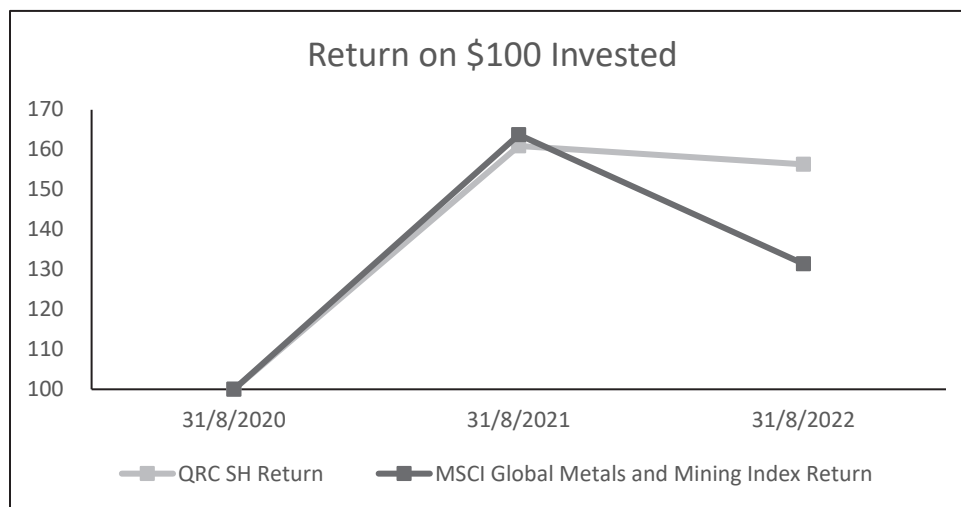
Elements of Director Compensation

Effective January 1, 2020, a director compensation program was put in place whereby the directors of the Company who are not Named Executive Officers receive annual director's fees, paid quarterly. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Board or any committee of the Board. In addition, the directors are entitled to participate in the Company's stock option plan. The Board annually reviews the Company's approach to director compensation, generally, against the backdrop of the compensation goals and objectives described above.

In addition to directors' fees, directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the CCGN Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for Shareholders to understand.

Performance Graph

The following performance graph illustrates the Company's cumulative shareholder return over the three (3) most recently completed financial years, (which includes the Company's change of business completed in January 2020 and periods in which the Common Shares were listed on the TSXV), compared to the MSCI Global Metals and Mining Index, which is considered a market index that provides a reasonable reference point for the Company's return due to the underlying investments in similar sectors. The Company graduated from the TSXV to the TSX on July 6, 2022. The closing price for the Common Shares on the TSX on August 31, 2022 (the last trading day in the Company's most recently completed financial year) was C\$0.68.



Notes:

- (1) Returns for 2020 to 2022 have been presented as the Company completed a change of business in 2020.
- (2) The Company's shareholder return is based on C\$100 invested on August 31, 2020 adjusted for the change in the closing market price at August 31 each year.
- (3) The MSCI Global Metals and Mining Index Return is based on US\$100 invested on August 31, 2020 adjusted for the change in the closing market price at August 31 each year of the MSCI Global Metals & Mining Producers ETF (PICK).

The Company completed a change of business in January 2020 and the management team and Board were appointed during 2020 and 202. The trend shown in the above graph does not provide a meaningful comparison to the trend in executive compensation. The total compensation for the executive officers is affected by increases and decreases in the price of Common Shares as the value of Options increase or decrease as Common Share prices increase or decrease. Options and bonuses (to the extent that such payments are based on meeting corporate performance expectations) represent "at risk" compensation which help align the total return on the Common Shares and the compensation received by the Company's executive officers. Total executive compensation does not always directly correlate with increases and decreases in the total return on the Common Shares due to impacts on share value that are beyond the Company's control, such as the need of the Company to continue to provide competitive salaries and increases in salary levels relative to the market.

The trading price of the Common Shares is subject to fluctuation based on several factors, many of which are outside the control of the Company. These include, but are not limited to, fluctuations and volatility in commodity price markets, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the heading "Risk Factors" in the Company's annual information form dated November 25, 2021.

NAMED EXECUTIVE OFFICER COMPENSATION

Summary Compensation Table

The following table and notes thereto provide a summary of the compensation earned by the NEOs of the Company:

Name and Principal Position(s)	Year	Salary / Fees Earned ⁽¹⁾ (\$)	Option-Based Awards ⁽⁶⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Total Compensation (\$)
				Annual Incentive Plans ⁽⁷⁾ (\$)	Long-Term Incentive Plans ⁽⁶⁾ (\$)	
Warren Gilman ⁽²⁾ <i>Chairman, CEO and Director</i>	2022	\$433,333	\$4,983,900	\$520,000	-	\$5,937,233
	2021	\$400,000	-	\$480,000	-	\$880,000
	2020	\$233,333	2,410,979 ⁽⁸⁾	\$33,333	-	\$2,677,645
Alex Granger ⁽³⁾ <i>President and Director</i>	2022	\$233,333	\$2,278,354	\$163,333	-	\$2,675,020
	2021	\$200,000	-	-	-	\$200,000
	2020	\$116,667	1,033,277 ⁽⁸⁾	\$16,667	-	\$1,166,661
Vicki Cook ⁽⁴⁾ <i>Chief Financial Officer</i>	2022	\$173,333	\$854,383	\$78,000	-	\$1,105,716
	2021	\$40,000	-	-	-	\$40,000
	2020	-	-	-	-	-

Notes:

- (1) Please note that this column includes the US dollar value of cash base salary such NEO fees during a financial year covered in the table.
- (2) Mr. Gilman was appointed Chairman and a director on May 2, 2019. Effective February 2, 2020 Mr. Gilman was appointed CEO. Mr. Gilman receives his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated January 29, 2020 between the Company and Queen's Road Central Capital Ltd. See below under "Employment, Consulting and Management Agreements" for a description of the agreement. Mr. Gilman also serves as a director of the Company, but receives no additional compensation for his services as a director.
- (3) Mr. Granger was appointed CEO and a director on May 2, 2019. Effective February 2, 2020, Mr. Granger was appointed President of the Company. Mr. Granger receives his compensation in the form of consulting fees pursuant to the terms of a consulting agreement dated January 29, 2020 between the Company and Xela Environment Ltd. See below under "Employment, Consulting and Management Agreements" for a description of the agreement. Mr. Granger also serves as a director of the Company, but receives no additional compensation for his services as a director.
- (4) Ms. Cook was appointed as CFO on May 31, 2021.
- (5) The grant date fair value for compensation purposes is calculated using the Black-Scholes option pricing methodology, which is the fair value determined in accordance with International Financial Reporting Standards. This calculation was based on a risk-free interest rate of: 2022 – 1.6%, 2020 - 1.3%; an expected life of: 2022 – 2.75 years, 2020 -5.0 years; and an expected volatility of: 2022 – 76.0%, 2020 – 188.2% . The Black-Scholes option pricing methodology was selected due to its acceptance as an appropriate valuation model used by other listed companies. The resulting fair value was calculated in Canadian dollars and translated at the exchange rate of the date of grant of the options. The resulting fair value is an estimate of the value which may ultimately be received based on the historical volatility in the Company's share price. It is important to note that the actual value realized pursuant to Option awards may be greater or less than the indicated value.
- (6) Represents annual cash bonuses payable during the respective calendar year for individual and corporate performance relating to the financial year ended in that calendar year.
- (7) In addition to the Options granted to Mr. Gilman and Mr. Granger included in the table above, further Options were granted in 2020 which were subsequently cancelled in 2021. The value of these cancelled Options has not been included in the table above.

The Company does not have any share-based awards, non-equity long term incentive plans, pension plans or pay any other compensation to its NEOS not disclosed in the above table.

Stock Options

The following table is a summary of all outstanding option-based awards for each NEO as at August 31, 2022:

Name and Position(s)	Option-based Awards			
	Number of securities underlying unexercised options	Option Exercise price (C\$)	Option Expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Warren Gilman <i>Chairman, CEO and Director</i>	17,500,000	\$0.64	February 28, 2027	\$533,120
Alex Granger <i>President and Director</i>	3,000,000	\$0.30	February 03, 2025	\$868,224
	8,000,000	\$0.64	February 28, 2027	\$243,712
Vicki Cook <i>Chief Financial Officer</i>	3,000,000	\$0.64	February 28, 2027	\$91,293

Notes:

- (1) Calculated based on the difference between the closing market price of the shares on August 31, 2022 (C\$0.68) and the exercise price of the Options multiplied by the number of Options translated to US dollars at the exchange rate at August 31, 2022.

Option-based awards – Value Vested or Earned During the Year

The following table provides a summary of the value of options vested or earned by each NEOs during the year ended August 31, 2022:

Name and Position(s)	Option-based awards Value vested during the year ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation Value vested during the year ⁽²⁾ (\$)
Warren Gilman <i>Chairman, CEO and Director</i>	\$757,998	\$520,000
Alex Granger <i>President and Director</i>	\$346,513	\$163,333
Vicki Cook <i>Chief Financial Officer</i>	\$129,942	\$78,000

Notes:

- (1) This is the aggregate dollar value that would have been realized if the Options had been exercised on their vesting date and assuming the NEO had the entire vested amount available for exercise. The value is calculated on the difference between the closing market price of the share on the date each option vested (C\$0.75) and the exercise price of each option multiplied by the number of Options translated to US dollars at the exchange rate on the vesting date. Options vest 50% on grant date and 50% on the one-year anniversary of the vesting date.
- (2) Represents the cash bonus for the financial year ended August 31, 2022.

Consultancy Agreements

The Company entered into consultancy agreements with each of our NEOs. In the year ended August, 31, 2022, each of our NEOs compensation was comprised of a base fee, an annual performance bonus based on the Company's annual corporate objectives and an award of Options.

Each of our NEOs consultancy agreements contain confidentiality provisions of indefinite application. As well, each of the NEOs have agreed to give at least one months' notice in writing.

Warren Gilman

The consulting agreement (the "**QRCC Agreement**") dated January 29, 2020, between the Company and Queen's Road Central Capital Ltd., a privately-owned company held by Mr. Gilman, requires the Company to pay QRCC US\$400,000 per annum (the "**QRCC Annual Base Fee**") for services provided to the Company by Mr. Gilman. The QRCC Annual Base Fee was increased to US\$450,000 on January 1, 2022.

Alex Granger

The consulting agreement dated January 29, 2020, between the Company and Xela Environmental Ltd. ("**Xela**"), a privately-owned company held by Mr. Granger, requires the Company to pay Xela US\$200,000 per annum (the "**Xela Annual Base Fee**") for services provided to the Company by Mr. Granger. The Xela Annual Base Fee was increased to US\$250,000 on January 1, 2022.

Vicki Cook

The consulting agreement dated May 1, 2021, between the Company and Ms. Cook requires the Company to pay Ms. Cook US\$120,000 per annum (the "**Annual Base Fee**") for services provided to the Company. The Annual Base Fee was increased to US\$200,000 on January 1, 2022.

Termination and Change of Control Benefits

The Company has entered into consulting agreements within each NEO pursuant to which the Company has agreed to make certain payments to the executive in the event of termination without cause or a "change of control". Assuming that the triggering event occurred on August 31, 2022, each NEO would be entitled to receive the following:

Name and Position(s)	Event	Base Fee ⁽¹⁾⁽²⁾	Bonus ⁽¹⁾⁽²⁾	Option-Based Awards ⁽³⁾⁽⁴⁾	Total
Warren Gilman <i>Chairman, CEO and Director</i>	Termination without cause	\$675,000	\$500,000	\$533,120	\$1,708,120
	COC	\$900,000	\$500,000	\$533,120	\$1,933,120
Alex Granger <i>President and Director</i>	Termination without cause	\$375,000	\$81,667	\$1,111,936	\$1,568,603
	COC	\$500,000	\$81,667	\$1,111,936	\$1,693,603
Vicki Cook <i>Chief Financial Officer</i>	Termination without cause	\$200,000	\$39,000	\$91,392	\$330,392
	COC	\$300,000	\$39,000	\$91,392	\$430,392

Notes:

- (1) Pursuant to the NEO consulting agreements, if the agreement with Mr. Gilman, Mr. Granger or Ms. Cook is terminated without cause their severance will be calculated as a lump sum payment equal to (a) in the case of Mr. Gilman and Mr. Granger, 1.5x their annual base fee, and in the case of Ms. Cook, 1.0x her annual salary; and (b) the average of such NEOs annual bonus in the two (2) years prior to termination. In the event that the NEO resigns from their employment, no severance is payable.
- (2) Pursuant to NEO consulting agreements, if the agreement with Mr. Gilman, Mr. Granger or Ms. Cook is terminated within 12 months of a change of control, their severance will be calculated as a lump sum payment equal to (a) in the case of Mr. Gilman and Mr. Granger, 2.0x their annual salary, and in the case of Ms. Cook, 1.5x her annual salary; and (b) the average of such NEOs annual bonus in the two (2) years prior to termination. In the event that the NEO resigns from their employment, no severance is payable.
- (3) On termination without cause, all Options that have not vested within 90 days of the termination date shall terminate. Under the Old Option Plan (and the 2022 Option Plan), all outstanding Options vest within 30 days on a change of control and may be exercised. The amount disclosed is the difference between the closing market price for the shares on August 31, 2022 and the exercise price of the vested and unvested Options that would become exercisable on termination without cause or on a change of control multiplied by the number of Options translated to US dollars at the exchange rate at August 31, 2022.
- (4) In the event the NEO resigns from their employment, all unvested Options are forfeited upon cessation of employment. NEOs have 90 days following the cessation of employment to exercise vested Options. Please refer to the table set out under the heading "Option-based Awards – Value Vested or Earned During the Year" for the value of vested Options as at August 31, 2022.

DIRECTOR COMPENSATION

Our independent director compensation is designed to attract and retain high caliber board members and our approach to board compensation is to be competitive with our peers, reflect best practice and take into account corporate governance trends.

The CCGN Committee reviews the Board compensation on an annual basis and recommends revisions to the compensation paid to directors when warranted in the circumstances. In addition, the Board may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director. Previous grants of Options are taken into account when considering new grants of Options.

For the year ended August 31, 2022 our independent directors were compensated for their services as directors as set out in the table below. Our directors were also reimbursed for reasonable travel and other out-of-pocket expenses incurred in connection with attending meetings and otherwise carrying out their duties as directors of the Company.

Name and Position(s)	Salary / Fees Earned ⁽¹⁾ (\$)	Share-Based Awards ⁽³⁾ (\$)	Option-Based Awards ⁽⁴⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value ⁽³⁾ (\$)	All Other Compensation ⁽³⁾ (\$)	Total Compensation (\$)
				Annual Incentive Plans ⁽³⁾ (\$)	Long-Term Incentive Plans ⁽³⁾ (\$)			
Michael Cowin ⁽²⁾ <i>Audit Committee Chair CCGN</i>	\$21,125	-	\$854,383	-	-	-	-	\$875,508
Donald Roberts <i>Chair Audit CCGN</i>	\$23,000	-	\$569,589	-	-	-	-	\$592,589
Peter Chau	\$20,000	-	\$427,191	-	-	-	-	\$447,191

Notes:

- (1) Please note that this column includes the US dollar value of all fees awarded, earned paid or payable

in cash for services as a director in the financial year ended August 31, 2022, including annual retainer fees of \$20,000 per annum, payable quarterly and Committee Chair fees of \$3,000 per annum, payable quarterly.

- (2) Mr. Cowin was appointed as Chair of the CCGN Committee on December 15, 2021 and as such, his fees as CCGN Chair were prorated for the first quarter.
- (3) The Company does not have any share-based awards, non-equity annual or long-term incentive plans, pension plans or pay any other compensation to directors for their services as directors.
- (4) The grant date fair value for compensation purposes is calculated using the Black-Scholes option pricing methodology, which is the fair value determined in accordance with International Financial Reporting Standards. This calculation was based on a risk-free interest rate of: 2022 – 1.6%, an expected life of: 2022 – 2.75 years, and an expected volatility of: 2022 – 76.0%. The Black-Scholes option pricing methodology was selected due to its acceptance as an appropriate valuation model used by other listed companies. The resulting fair value was calculated in Canadian dollars and translated to US dollars at the exchange rate of the date of grant of the options. The resulting fair value is an estimate of the value which may ultimately be received based on the historical volatility in the Company's share price. It is important to note that the actual value realized pursuant to Option awards may be greater or less than the indicated value.

Outstanding Option-based Awards

The following table sets out all option-based outstanding for each of our independent directors as at August 31, 2022.

Option-based awards that were granted have a price per Common Share based on the closing market price of our Common Shares on the day prior to the date of grant.

Name	Option-based Awards			
	Number of securities underlying unexercised options	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Michael Cowin	3,000,000	\$0.64	February 28, 2027	\$91,392
Donald Roberts	2,000,000	\$0.64	February 28, 2027	\$60,928
Peter Chau	1,500,000	\$0.64	February 28, 2007	\$45,696

Notes:

- (1) Calculated based on the difference of the closing market price of our shares on August 31, 2022 (\$0.68) and the exercise price of each Option multiplied by the number of Options translated to US dollars at the exchange rate at August 31, 2022.

Option-Based Awards - Value Vested or Earned During the Year

The following table sets out the value of awards for each of our non-executive directors, vested or earned during the year ended August 31, 2022.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)
Michael Cowin	\$129,942
Donald Roberts	\$86,628
Peter Chau	\$64,971

Notes:

- (1) This is the aggregate dollar value that would have been realized if the Options had been exercised on the vesting date and assuming the director had the entire vested amount available for exercise. The value is calculated based on the difference of the closing market price of our shares on the date each option was granted (\$0.75) and the exercise price of each Option multiplied by the number of Options translated to US dollars at the exchange rate on the vesting date.

Stock Option Plans

Key to the Company's long-term incentive compensation program is the grant of incentive stock options. The purpose of the Old Option Plan (and if approved, the 2022 Option Plan) is to advance the interests of the Company by encouraging the participants under the plan to acquire Common Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentives in their efforts on behalf of the Company in the conduct of its affairs.

As discussed earlier in this Circular, the Company proposes to replace the Old Option Plan currently in effect with the 2022 Option Plan. The 38,650,000 options currently granted under the Old Option Plan will continue to be governed by the Old Option Plan if the 2022 Option Plan is approved and implemented. A description of the Old Option Plan and the 2022 Option Plan is provided below.

The 2022 Option Plan

As discussed above under *Particulars of Matters to be Acted On – Approval of 2022 Option Plan*, the Board has approved a new option plan which complies with TSX requirements. Under the 2022 Option Plan:

- the aggregate number of Common Shares that may be issuable pursuant to the 2022 Option Plan and all other securities-based compensation arrangements shall not exceed 10% of the outstanding Common Shares from time to time, subject to the following limitations:
 - the maximum number of Common Shares issuable to insiders at any time under all security-based compensation arrangements shall not exceed 10% of the outstanding Common Shares from time to time (calculated on a non- diluted basis); and
 - the maximum number of Common Shares issued to insiders within any one (1) year period under all security-based compensation shall not exceed 10% of the outstanding Common Shares from time to time (calculated on a non-diluted basis);

providing that any securities issued under any security-based compensation arrangements prior to the participant becoming an insider shall be excluded for the purposes of the limits set out above. Under the Old Option Plan, the 10% rolling limit applicable to the 2022 Option Plan prior to these amendments did not apply to other security- based compensation arrangements of the Company outside of the Old Option Plan;

- the Board's right to fix the exercise price for Options on the grant date is restricted under the 2022 Option Plan to be not less than the VWAP of the Common Shares on the TSX for the five (5) days immediately preceding the grant date. Under the Old Option Plan, the exercise price could be fixed by the Board, granted it was no lower than the exercise price permitted by the exchange such Common Shares were listed on;
- the 2022 Option Plan provides that in the absence of any determination by the Board as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant;

- Options granted under the Old Option Plan are non-assignable and non-transferable;
- the 2022 Option Plan includes a "cashless exercise" provision -- in lieu of paying cash on the exercise of Options, participants may to acquire, without cash payment, such number of Common Shares as is determined by: (i) subtracting the exercise price from the closing price of the Common Shares on the date of exercise; (ii) multiplying the difference by the number of Common Shares in respect of which the Option was otherwise being exercised; and (iii) dividing that product by such closing price of the Common Shares. Previously, participants could only exercise Options by paying the full exercise price in cash;
- limiting service provider participation in the 2022 Option Plan to those service providers which provide services for an initial, renewable or extendible period of 12 months or more;
- providing more clarity regarding the treatment of Options in the case of termination, resignation, retirement, disability and death as set out below:
 - in the case of resignation or termination with Cause (as such term is defined in the 2022 Option Plan), all Options granted to such participant that have not yet vested as of the termination date shall terminate immediately;
 - in the case of termination for any reason other than resignation, for cause, death or disability, all Options granted to such participant that have not yet vested within 90 days after the termination date shall terminate without payment;
 - in the case of retirement, any Options held by such participant shall continue to vest in accordance with the terms thereof, except at the discretion of the Board, for any Options granted during the calendar year in which such participant retires, all of which Options shall expire;
 - in the case of death, any Options previously granted to such participant that has vested or will vest within 12 months after the date of death shall immediately vest and become exercisable until the expiry day of such Option, or until the expiration of 12 months after the date of death of such participant, whichever comes earlier; and
 - in the case of disability, any Option previously granted to such participant that has vested or will vest within 90 days after the date of disability shall immediately vest and become exercisable until the expiry day of such Option, or until the 90th day after the date of disability of such participant, whichever comes earlier; implementing accelerated vesting provisions in the event of a change of control or take-over proposal, as further described below under the subheading "Change of Control";
- clarifying that no person has any right to compensation or damages for loss in relation to the 2022 Option Plan, including in relation to any loss or reduction of rights or expectations under the plan, and any exercise of discretion in relation to a grant of Options or to the 2022 Option Plan;
- requiring TSX and Shareholder approval in respect of certain amendments to the 2022 Option Plan, as further described below under the subheading "*Limitations & Amendments*"; and
- subject to receipt of prior written approval from the TSX, confirming that the Board may make the following amendments to the 2022 Option Plan without Shareholder approval:
 - any amendment to the vesting provisions of the 2022 Option Plan and any Option;

- any amendment to the 2022 Option Plan or Options as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, the 2022 Option Plan or the Shareholders;
- any amendment to the 2022 Option Plan and any Option to permit the conditional exercise of any Option, on such terms as it sees fit;
- any amendment of a "housekeeping" nature;
- any amendment respecting the administration of the 2022 Option Plan; and
- any other amendment that does not require the approval of Shareholders as expressly set out in the 2022 Option Plan.

A summary of the 2022 Option Plan is provided below. Shareholders are encouraged to review the full text of the 2022 Option Plan, as amended and restated, which is attached hereto as Schedule "A".

Eligibility and Participation

Directors, officers, bona fide employees of the Company or its subsidiaries, or officers or employees of a person or company engaged by the Company to provide services for an initial, renewable or extendible period of 12 months or more to the Company or its subsidiaries shall be eligible for selection to participate in the 2022 Option Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the TSX, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the 2022 Option Plan in the same manner as if the options were held by the Participant.

The Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Common Shares to be subject to each option.

Limitations & Amendments

The 2022 Option Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The aggregate number of Common Shares which may be reserved for issuance under the 2022 Option Plan shall not exceed 10% of the Company's issued and outstanding Common Shares, subject to the following limitations:

- (a) the maximum number of Common Shares issuable to Insiders (as defined in the policies of the TSX) at any time under all security-based compensation arrangements shall not exceed 10% of the outstanding Common Shares from time to time (calculated on a non-diluted basis);
- (b) the maximum number of Common Shares issued to Insiders within any one year period under all security-based compensation arrangements shall not exceed 10% of the outstanding Common Shares from time to time (calculated on a non-diluted basis); and

Other than the above limitations on insider participation, the 2022 Plan does not include a limit on the number of Options which may be issued to any one Participant. The number of Common Shares subject to an option granted to a participant shall be determined by the CCGN Committee, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having

jurisdiction. The exercise price of the Common Shares covered by each option shall be determined by the CCGN Committee, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

The Board has the absolute discretion to amend or terminate the 2022 Option Plan. The only amendments to the 2022 Option Plan that would be subject to Shareholder approval are amendments that would:

- (a) any increase in the number of Common Shares reserved for issuance under the 2022 Option Plan;
- (b) any amendment to increase or remove the Insider participation limits described above;
- (c) the provision of financial assistance to a Participant in connection with the exercise of Options;
- (d) any reduction in the exercise price of an Option, cancellation and reissue of Options or substitution of Options with cash or other awards on terms that are more favourable to the Participants;
- (e) any extension of the expiry of an Option, except as otherwise provided in the 2022 Option Plan;
- (f) an amendment that would permit Options to be transferable or assignable other than for normal estate settlement purposes;
- (g) any amendment that would materially modify the eligibility requirements for participation in the 2022 Option Plan;
- (h) amendments to the limitations with respect to Options that may be granted to non-employee directors; and
- (i) amendments to certain amending provisions requiring Shareholder approval, as further described in the 2022 Option Plan.

The following are amendments which do not require Shareholder approval under the 2022 Option Plan:

- (a) any amendment to the vesting provisions of the 2022 Option Plan and any Option, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of an Option;
- (b) any amendment to the 2022 Option Plan or an Option as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, the 2022 Option Plan or the Shareholders of the Company;
- (c) any amendment to the 2022 Option Plan and any Option to permit the conditional exercise of any Option, on such terms as it sees fit;
- (d) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the 2022 Option Plan, correct or supplement any

provision of the 2022 Option Plan that is inconsistent with any other provision of the 2022 Option Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the 2022 Option Plan; and

- (e) any amendment respecting the administration of the 2022 Option Plan.

Exercise Price

The exercise price of the Common Shares subject to each option shall be determined by the Board when such Option is granted, provided that such price shall not be less than the Market Price, being the VWAP of the Common Shares, calculated by dividing the total value by the total volume of Common Shares traded for the relevant period, for the five (5) trading days immediately preceding the relevant date.

Duration of Option

Each Option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination by ceasing to be a director, officer, consultant or employee or by death of the Participant, provided that in no circumstances shall the duration of an option exceed the five (5) years from the date of the grant of the Option.

The 2022 Option Plan does not confer upon a Participant any right with respect to continuation of employment by the Company, nor does it interfere in any way with the right of the Participant, the Company to terminate the Participant's employment at any time. Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Company. A Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to any Option which would have vested or been granted after the Termination Date (as such term is defined in the 2022 Option Plan appended to this Circular as Schedule "A"), or which could have been exercised after the Termination Date, including but not limited to damages in lieu of notice at common law.

Should the expiry date of an Option fall within a Black Out Period or within 10 business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the 10th business day after the end of the Black Out Period, such 10th business day to be considered the expiry date for such Option for all purposes under the 2022 Option Plan. The ten-business day period referred to in this paragraph may not be extended by the Board. "**Black Out Period**" for the purposes of the 2022 Option Plan means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of an Option.

Vesting Period

The vesting period or periods within this period during which an Option or a portion thereof may be exercised by a Participant shall be determined by the Board. In the absence of any determination by the Board as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in its sole discretion at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. In the case of options granted on February 29th of any year, the "anniversary date" shall be deemed to be February 28th of each of the subsequent years.

Change of Control

In the event a Change of Control occurs, all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Options or the 2022 Option Plan for a period of time ending on the earlier of the expiry time of the Option and the 30th day following the effective date of the Change of Control.

For the purposes of the 2022 Option Plan, a "**Change of Control**" means any of the following:

- (a) the purchase or acquisition of any voting securities or convertible securities by a holder which results in such holder beneficially owning, or exercising control or direction over, voting shares or convertible securities such that, assuming only the conversion of convertible securities beneficially owned or over which control or direction is exercised by the holder, the holder would beneficially own, or exercise control or direction over, voting shares carrying the right to cast more than 50% of the votes attaching to all Common Shares, but excluding any issue or sale of Common Shares of the Company to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement; or
- (b) the Company completes an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation which requires approval of the shareholders of the Company pursuant to its statute of incorporation and pursuant to which the shareholders of the Company immediately thereafter do not own shares of the successor or continuing corporation, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation; or
- (c) the election at a meeting of the Company's shareholders of that number of persons which would represent a majority of the Board, as directors of the Company who are not included in the slate for election as directors proposed to the Company's shareholders by the Company; or
- (d) the liquidation, dissolution or winding-up of the Company; or
- (e) the sale, lease or other disposition of all or substantially all of the assets of the Company; or
- (f) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (a), (b), (c), and (e) referred to above; or
- (g) a determination by the Board that there has been a change, whether by way of a change in the holding of the voting shares of the Company, in the ownership of the Company's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Company.

If approved by the Board, Options may provide that, whenever the Company's shareholders receive a Take-over Proposal, such Option may be exercised as to all or any of the Common Shares in respect of which such Option has not previously been exercised (including in respect of Options not otherwise vested at such time) by the Participant (the "**Take-over Acceleration Right**"), but any such Option not otherwise vested and deemed only to have vested in accordance with the foregoing may only be exercised for the purposes of tendering to such Take-Over Proposal. If for any reason any such

Common Shares are not so tendered or, if tendered, are not, for any reason taken up and paid for by the offeree pursuant to the Take-Over Proposal, any such Common Shares so purchased by the Participant shall be and shall be deemed to be cancelled and returned to the treasury of the Company, and shall be added back to the number of Common Shares, if any, remaining unexercised under the Option (and shall thus be available for exercise of the Option in accordance with the terms thereof) and upon presentation of the Company of share certificates or statements representing such Common Shares properly endorsed for transfer back to the Company, the Company shall refund to the Participant all consideration paid by him or her in the initial purchase thereof. The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve.

For the purposes of the 2022 Option Plan, "**Take-over Proposal**" means: (A) any proposal or offer by a third person, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of the Company's outstanding voting shares whether by way of arrangement, amalgamation, merger, consolidation or other business combination, including any single or multi-step transaction or series of related transactions that is structured to permit such third person to acquire in any manner, directly or indirectly, more than 50% of its outstanding voting shares; or (B) any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction or other business combination involving the Company.

The Old Option Plan

The Old Option Plan was last approved at the Company's December 22, 2021 annual general meeting. Grants of options made prior to the Meeting will continue to be governed by the Old Option Plan notwithstanding the approval of the 2022 Option Plan. Subject to its approval by Shareholders at the Meeting, any options granted after the Meeting will be governed by the 2022 Option Plan.

The Old Option Plan, which reserves for issuance a maximum of 10% of the Company's Common Shares at the time of a grant of options under the Old Option Plan. The Old Option Plan is administered by the Board and provides for grants of non-transferable options under the Old Option Plan at the discretion of the Board to directors, senior officers, employees, management company employees of, or consultants to, the Company and its subsidiaries, or their permitted assigns.

The Old Option Plan is a "rolling" stock option plan wherein:

- (a) directors, officers, employees and consultants of the Company, or to person engaged in investor relations activities on behalf of the Company or any of its subsidiaries are eligible to receive grants of options under the Old Option Plan;
- (b) a number of common shares shall not exceed ten (10%) percent of the issued and outstanding common shares in the capital stock of the Company at any given time are reserved for the issuance of stock options;
- (c) the exercise price of any options granted is determined by the Board in its sole discretion as of the date the Board grants the options, and shall not be less than the last closing price of the Company's common shares traded through the facilities of the TSX prior to the grant of the

options, less any discount permitted by the TSX, or such other price as may be required by the TSX;

- (d) options granted under the Old Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (e) an optionee's options expire one year (or such other time, not to exceed one year, as shall be determined by the Board) after the date the optionee ceases to be eligible to receive options; and
- (f) notwithstanding the foregoing, if an optionee dies, any vested options held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option.

Under the Old Option Plan, the number of common shares which may be reserved for issue: (i) to any one optionee who is an insider and any associates of such insider, shall not exceed 5% of the outstanding issue at any given time and for any 12 month period or (ii) to insiders (as a group) of an aggregate number of options exceeding 10% of the issued shares for any 12 month period, calculated at the date of an option is granted to an insider; and (iii) to all persons who undertake investor relations activities, shall not exceed 2% of the outstanding issue for any one consultant. "Outstanding issue" is determined on the basis of the number of common shares that are outstanding immediately prior to the common share issuance in question.

Awards Granted and Burn Rate

In accordance with the requirements of the TSX, the following table summarizes the number of security-based compensation awards granted to all of our directors, officers and employees during the periods noted below and the annual burn rate of each security-based compensation arrangement:

	Weighted Average Shares Outstanding ⁽¹⁾	Stock Option Plan	
		Granted	Burn Rate ⁽²⁾
August 31, 2022	366,017,026	35,500,000	0.10
August 31, 2021	277,252,651	Nil	0
August 31, 2020	277,201,187	14,500,000 ⁽³⁾	0.05

Notes:

- (1) Pursuant to the requirements of the TSX, the weighted average number of Common Shares outstanding during the period is the number of Common Shares outstanding at the beginning of the period, adjusted by the number of Common Shares bought back or issued during the period, multiplied by a time-weighting factor. The time-weighting factor is the number of days that the Common Shares are outstanding as a proportion of the total number of days in the period.
- (2) The burn rate for a given period is calculated by dividing the number of awards granted during such period by the weighted average number of Common Shares outstanding during such period.
- (3) 14,350,000 of the Options granted in the year ended August 31, 2020 were subsequently cancelled in the year ended August 31, 2021.

CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201"), issuers are to disclose the

corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board has delegated the corporate governance of the Company to the CCGN Committee. The Board and the Company's management consider good corporate governance to be central to the effective and efficient operation of the Company. Below is a discussion of the Company's approach to corporate governance.

Board of Directors

Independence of Board of Directors

Under National Instrument 52-110 - Audit Committees ("**NI 52-110**"), a director is independent if he or she has no direct or indirect material relationship with us. 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 us.

The majority of our current directors are independent: Messrs. Cowin, Roberts, and Chau are "independent" within the meaning of NI 52-110. Messrs. Gilman and Granger are not independent because they serve respectively as the CEO and President of the Company, respectively.

Board Oversight

The Board currently consists of five (5) members, three of whom are independent. Mr. Gilman is currently the Chair of the Board. The Board has the overall responsibility for the strategic planning and general management of the business and affairs of the Company. The Board facilitates its exercise of independent supervision over management through a combination of formal meetings of the Board, as well as informal discussions amongst the Board members combined with input from its committees having a majority of independent directors.

Directorships in Other Reporting Issuers

In addition to their positions on our Board, the following directors also serve as directors of the other reporting issuers or reporting issuer equivalent(s):

DIRECTOR	OTHER REPORTING ISSUERS
Warren Gilman	ACG Acquisition Company Ltd.. (LSE: ACG) Gold Royalty Corp. (NYSE American: GROY) Los Andes Copper Ltd. (TSXV: LA) NexGen Energy Ltd. (TSX; NYSE: NXE)
Michael Cowin	Gold Bull Resources Corp. (TSXV: GBRC; OTC: GBRCF) Rockmaster Resources Corp. (TSXV: RKR)
Donald Roberts	CK Asset Holdings Ltd. (HKSE: 1113.HK) CK Life Sciences International (Holdings) Inc. (HKSE: 775.HK) HK Electric Investments Ltd. (HKSE: 2638.HK) NexGen Energy Ltd. (TSX; NYSE: NXE)

No other current director or nominee is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a Canadian or foreign jurisdiction.

Interlocking Boards

Two of our directors currently serve on the board of directors of NexGen Energy Ltd.

Attendance of Directors at Board and Committee Meetings

During the year ended August 31, 2022, the Board held six meetings. The attendance record of the directors at Board meetings and other committee meetings is as follows:

Directors	Board Meetings (6 Meetings)	Independent Director Meetings (6 Meetings)	Audit Committee Meetings (4 Meetings)	Corporate Governance & Nominating Committee (1 Meeting)
Warren Gilman	6 of 6 100%	-	-	1 of 1 100%
Alex Granger	6 of 6 100%	-	4 of 4 100%	-
Michael Cowin	6 of 6 100%	6 of 6 100%	4 of 4 100%	1 of 1 100%
Donald Roberts	6 of 6 100%	6 of 6 100%	4 of 4 100%	1 of 1 100%
Peter Chau	6 of 6 100%	6 of 6 100%		
Overall Attendance Rate	100%	100%	100%	100%

Board Mandate

The Board has adopted a written mandate, that summarizes, among other things, the Board's duties and responsibilities. The Board is responsible for the overall stewardship of the Company and dealing with issues which are pivotal to determining the Company's strategy and direction. The Board meets to consider and approve the strategic objectives of the Company and management plans designed to accomplish those objectives. The Board also meets as necessary to consider specific developments and opportunities as they arise, including investments and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Company, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession and risk management.

The primary responsibilities of the Board are to:

- develop, monitor and, where appropriate, modify the Company's Investment Policy;
- review and, where appropriate, approve the financial and business goals and objectives, major corporate actions and internal controls of the Company;
- regularly monitor the effectiveness of management policies and decisions;
- evaluate and, with input from the CCGN Committee, select and set the compensation level of the CEO;
- identify and assess major risks facing the Company and review options for their mitigation;

- ensure that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations;
- review, with input from the Audit Committee, the financial performance and financial reporting of the Company and assess the scope, implementation and integrity of the Company's internal control systems;
- appoint the officers of the Company (giving equal consideration to women), ensuring that they are of the calibre required for their roles and planning for their succession as appropriate from time to time; and
- establish and oversee committees of the Board as appropriate, approve their mandates and approve any compensation of their members as both members of the committees and as Board members.

The Board, through the Audit Committee, requires management of the Company to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Shareholders and the public. The Company's management is responsible for the issuance of press releases and communications with the financial community. The Board, or the Audit Committee, reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, annual information forms, prospectuses and information circulars.

The CCGN Committee is responsible for monitoring the governance systems of the Company with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The CCGN Committee also acts as a nominating committee for new directors, oversees and approves the Company's Board compensation plans and evaluates the overall Board effectiveness.

Position Descriptions

The Board has developed written position descriptions for the Chair of the Board, the CEO and CFO, but has not developed written position descriptions for President, Chair of the Audit Committee or Chair of the CCGN Committee.

The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Company's annual objectives which become the objectives against which the CEO's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

Orientation and Continuing Education

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

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Company's corporate governance policies, which provides information respecting the functioning of the Board;

- (b) access to recent, publicly filed documents of the Company; access to management; and
- (c) access to legal counsel in the event of any questions relating to the Company's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Company, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry. Each director is responsible for keeping informed of Company affairs, and directors are informed not less than quarterly regarding corporate developments in the process of approving financial statements and other continuous disclosure documents.

Ethical Business Conduct

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at Board level.

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**"), which has been filed on SEDAR and is available on our website <https://queensrdcapital.com/investors/corporate-governance/> which outlines principles to which the Company's directors, officers, employees and consultants are expected to adhere in the conduct of the Company's business. The Company seeks to conduct its business in compliance with applicable laws, rules and regulations including, without limitation, with respect to insider trading, the environment, discrimination and harassment, and health and safety. The Company expects its employees, officers and directors to exercise reasonable judgment and act with honesty, integrity and avoid conflicts of interest when conducting the Company's business.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of the Code.

The CCGN Committee, with oversight from the Board, administers the Code and monitors the ethical conduct of the Company to ensure compliance with the Code and applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The CCGN Committee is responsible for assisting the Board in dealing with conflict of interest issues as contemplated by the Code, reviewing and updating the Code periodically, reviewing the system that management has established to enforce the Code and reviewing management's monitoring of our compliance with the Code.

The Company's Corporate Governance Guidelines provide that, when discussing potential transactions and agreements where a director has an interest, such director will be expected to disclose that interest to the Board, abstain from voting on the matter and, in most cases, leave the meeting while the remaining directors discuss and vote on such matter. If a director has any significant conflict of interest with the Company that cannot be resolved, the director will promptly resign.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect of same if the interest is material. The Code imposes a similar disclosure requirement on all non-director

representatives of the Company and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Audit Committee and fully inform such person or committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Whistleblower Policy, wherein directors, officers, employees and contractors of the Company and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process.

Nomination of Directors

The Company adopted the Advance Notice Policy, which sets out the process for persons to become eligible for election as directors of the Company. A copy of the Advance Notice Policy can be obtained from the Company's website at: www.queensrdcapital.com/investors/corporate-governance.

Pursuant to the Advance Notice Policy and subject to the *Companies Law* (Cayman Islands) (the "**Companies Law**"), only persons who are nominated: (i) by or at the direction of the Board; (ii) by one or more Shareholders in accordance with the provisions of the *Companies Law*; or (iii) by any Shareholder in accordance with the Advance Notice Policy, are eligible for election as directors of the Company.

The CCGN Committee is responsible for identifying and recruiting individuals qualified to become directors and making recommendations to the Board regarding new director nominees. In making such recommendations, the CCGN Committee considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, for each existing director to possess, the competencies and skills which each new nominee to the Board is expected to bring; and whether the proposed nominee to the Board will be able to devote sufficient time and resources to the Company.

The following is an outline of the Board's process for nomination of candidates for election to the Board:

- (a) based on the work undertaken by the CCGN Committee with careful consideration to the existence of any potential conflicts of interest, the mix of qualifications, skills, performance, and experience represented on the Board, the CCGN Committee will, if it deems necessary, recommend to the Board the need to change or add Board members together with a recommendation of the required characteristics of any new candidates;
- (b) upon Board approval of the need to change or add Board members and the preferred characteristics of the candidates, the CCGN Committee shall coordinate the search for qualified candidates with input from management and other Board members;
- (c) selected members of management and the Board will interview prospective candidates; and
- (d) the CCGN Committee will recommend a nominee and seek full Board endorsement of the selected candidate, based on its judgment as to which candidate will best serve

the interests of the Shareholders. The CCGN Committee considers any candidates submitted by Shareholders on the same basis as any other candidate.

The CCGN Committee may also recommend for approval by the Board the removal of a director from the Board or a committee thereof if he or she is no longer qualified or able to serve as a director or for any other appropriate reason.

Compensation

The CCGN Committee is responsible for reviewing and recommending to the Board all compensation arrangements for the directors and officers of the Company, including stock option grants, on an annual basis.

Directors are entitled to receive reasonable directors' fees and other compensation for their services as directors and committee members as may be determined from time to time by the Board, with input from the CCGN Committee, as well as reimbursement of expenses incurred on Company business or in attending Board or committee meetings.

In addition to directors' fees, directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the CCGN Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for Shareholders to understand.

The compensation of the CEO, President and CFO are currently reviewed and recommended by the Company's CCGN Committee, and approved by the Board, on an annual basis. The Company has established certain specific performance milestones and goals to which an element of total compensation to be paid to the CEO, President and CFO is dependent. Performance is reviewed in light of the Company's objectives from time to time and such compensation is also compared to that of CEOs, Presidents and CFOs of companies of similar size and stage of development in the same industry. In evaluating the CEO, President and CFO the CCGN Committee considers criteria including performance of the business, accomplishment of long-term strategic objectives, the handling of extraordinary events and development of management. These criteria ensure that the CEO's, President's and CFO's interests are aligned with the long-term interests of the Company and its Shareholders. The foregoing considerations apply to all forms of compensation paid to the Company's officers, including stock option grants. Previous grants are taken into account when considering new grants.

CCGN Committee

The main objective of the CCGN Committee is to discharge the responsibilities of the Board relating to the compensation and benefits of our executive officers and directors. In doing so, the CCGN Committee ensures that we have an executive compensation plan that is motivational and competitive and that will attract and inspire the performance of our executive officers of a caliber that will ensure and enhance our sustainability, profitability and growth. The current members of the CCGN Committee are Warren Gilman, Michael Cowin and Donald Roberts. Messrs. Cowin and Roberts are each independent directors within the meaning of NI 52-110.

The CCGN Committee is responsible for, amongst other things:

- (a) reviewing and approving on an annual basis the corporate objectives relevant to our NEOs compensation, evaluating the performance of the CEO and executive officers in light of those goals and objectives and set, or recommend to the Board, the compensation level for the CEO and executive officers based on this evaluation. In determining the long-term incentive component of CEO and executive compensation, the CCGN Committee will consider, along with such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to executive officers at comparable companies and the awards given to the executive officers in past years;
- (b) reviewing and approving on an annual basis the adequacy and form of compensation and benefits of the directors, and make recommendations to the Board in that regard;
- (c) making recommendations to the Board with respect to our stock option plan and any other incentive compensation plans and equity-based plans, including recommendations as to grants pursuant to such plans and the adoption or amendment of such plans;
- (d) determining the recipients of, and the nature and size of, share compensation awards and bonuses granted from time to time, in compliance with applicable securities law, stock exchange and other regulatory requirements; and
- (e) reviewing all executive compensation disclosure before the Company publicly discloses this information.

The CCGN Committee has the authority to retain outside advisors to assist in the evaluation of compensation of senior management and directors and to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultant retained.

The CCGN Committee is also responsible for, amongst other things:

- (a) developing and recommending to the Board corporate governance policies and procedures for the Company, reviewing and assessing the adequacy of the Company's corporate governance policies and procedures annually, and making recommendations to the Board with respect to any changes deemed appropriate;
- (b) reviewing the practices and procedures of the Board in light of ongoing developments in securities law, stock exchange and regulatory requirements and industry best practices relating to corporate governance;
- (c) examining the size and composition of the Board and its committees and recommend adjustments from time to time to comply with regulatory, corporate governance and disclosure requirements;
- (d) identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing those competencies and characteristics, seek and identify individuals qualified to become members of the Board and recommending such nominees to the Board for appointment or election, and make recommendations with respect to membership on committees of the Board.

All members need to have a working familiarity with corporate governance practices and the CCGN Committee may form and delegate authority to a sub-committee when appropriate.

Further details regarding the process for determining compensation are set out in the Company's Corporate Governance Guidelines and Compensation, Corporate Governance and Nomination Committee Charter, copies of which can be obtained from the Company's website at: www.queensrdcapital.com/investors/corporate-governance.

Assessments

The CCGN Committee, in conjunction with the Chair of the Board, is responsible for ensuring that an appropriate system is in place for the evaluation of the performance of the Board, each of its committees and each individual director; and to report to the Board on the results of such evaluation.

The Board, with input from the CCGN Committee, conducts an annual self-evaluation to assess the overall effectiveness of (i) the Board as a whole, (ii) individual directors (including the Chair, and any Lead Director, if appointed) and (iii) each of the committees from a corporate governance perspective and with respect to compliance with the relevant mandate, charter, terms of reference or position description as applicable. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

Director Term Limits and Other Mechanisms of Board Renewal

The Company has not adopted formal term limits or a formal retirement policy for its directors. The By-laws of the Company provide that all directors in office shall retire at the next annual general meeting of the Shareholders and if qualified, shall be eligible for re-election. Accordingly, the Company has determined that term limits or mandatory retirement based on age is not necessary. The Company feels that the imposition of such limits could be counter productive as it has been the Company's experience that its directors become increasingly more effective, and better able to provide fresh insights and perspectives and to function independently from management, as they gain experience and a deeper understanding of the Company's business and its strategic and operational objectives.

Succession planning in respect of board members and Board renewal is facilitated through the annual assessments of the Board, its committees, committee chairs and individual directors in which Board members evaluate each other and the Board as a whole in order to determine whether there are areas where the Board requires improvement.

Policies Regarding the Representation of Women on the Board

The Company does not have a written policy or set targets relating to the identification and nomination of women on the Board. The Board may consider the adoption of such a policy in the future if it deems it to be in the best interests of the Company. The Board is committed to nominating the best candidates to fulfill director roles and executive officer positions taking into account diversity and personal characteristics such as age, gender, race, cultural and educational background to ensure the Board and executive officers have the proper skills, expertise and diversity of perspectives.

At this time, the Board has determined that it is not necessary of the Company to have such written policies given the current size of the Board, the relatively static composition of the Board over recent years and that the nominating function is currently performed by the Board as a whole.

Consideration of the Representation of Women in Director Identification and Selection

The Board is relatively static, with few new directors being nominated by the Board on an annual basis. However, when the Board does identify and nominate new directors, it aims to maintain a composition which provides the best mix of perspectives, experience and expertise to lead the Company's long-

term strategy and monitor ongoing business operations. When identifying and nominating new members, the Board will do so with a view to its overall diversity, including level of representation of women on the Board in tandem with other considerations, including a candidate's experience, skills, independence, and the time a proposed nominee is able to devote to the Board.

Consideration of the Representation of Women in Executive Officer Appointments

In making new executive officer appointments, the Board considers the overall diversity of the Company's executive team, including the level of women in executive positions, in tandem with other considerations, including candidates' experience, skills, independence, and the time a proposed nominee is able to devote to the appointment. Currently, one executive officer is a woman, or 33% of the total number of executive officers of the Company in 2022.

Targets regarding the Representation of Women on the Board and in Executive Officer Positions

The Company has not adopted a target regarding women on the Board or in executive officer positions. Selection of Board members and executive officers is based on the factors enumerated in the preceding subsections.

Number of Women on the Board and in Executive Officer Positions

The Company currently does not have any woman on the Board. One executive officer (or 33% of the total number of executive officers of the Company in 2022) are women.

AUDIT COMMITTEE

Audit Committee

The Board has established the Audit Committee to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, internal control and legal compliance functions of the Company. It is the objective of the Audit Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Company. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

NI 52-110 requires all members of the Audit Committee to be independent. A member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment. The members of the Audit Committee are Messrs. Roberts, Cowin and Granger. Mr. Roberts and Mr. Cowin are independent members of the Audit Committee for the purposes of NI 52-110. Mr. Granger, the Company's President, is not independent. The Board is working to identify a qualified candidate to join the Board as an independent director and Audit Committee member, and Mr. Granger will resign and be replaced by this person on the Audit Committee when this happens.

NI 52-110 provides that an individual is "financially literate" if he or she has 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 issuer's financial statements. All members of the Company's Audit Committee are considered to be financially literate as that term is defined in NI 52-110 based on their qualifications and experience.

NI 52-110 requires our Audit Committee to meet certain requirements as well as requires us to disclose certain information regarding the Audit Committee. The required information has been disclosed in our

Annual Information Form for the fiscal year ended August 31, 2022 dated November 22, 2022 (our "AIF") under the headings "Audit Committee Information" and "Audit Committee Charter" (see "Additional Information" at the end of this Circular). Our AIF is filed on SEDAR and is available on our website.

ADDITIONAL INFORMATION

Additional information can be found on the SEDAR website at www.sedar.com.

Financial information is provided in our comparative financial statements and MD&A for our most recently completed financial year, copies of which have been mailed to those shareholders who requested them, and which are filed and available on SEDAR or on our website at <https://queensrdcapital.com/>.

Shareholders may request copies of our financial statements and MD&A by contacting Investor Relations at info@queensrdcapital.com

Schedule "A"
2022 OPTION PLAN

STOCK OPTION PLAN
QUEEN'S ROAD CAPITAL INVESTMENT LTD.

1. PURPOSE OF THE PLAN

The purpose of the Plan is to provide certain directors, officers and key employees of the Company or a Subsidiary with an opportunity to purchase Shares and to benefit from the appreciation thereof. This will provide an increased incentive for these directors, officers and key employees to contribute to the future success and prosperity of the Company, thus enhancing the value of the Shares for the benefit of all the shareholders and increasing the ability of the Company to attract and retain individuals of exceptional skill.

2. DEFINED TERMS

- (a) Where used herein, the following terms shall have the following meanings, respectively:
- (i) **"Active Employment"** means the period in which a Participant who is an employee of the Company or an affiliate performs work for the Company or an affiliate. For certainty, "Active Employment" shall be deemed to include any period constituting the minimum notice of termination period as may be required to be provided to a Participant pursuant to applicable employment standards legislation but shall exclude any other period that follows or ought to have followed the later of the end of the statutory notice period or the Participant's last day of performing work for the Company or an affiliate, whether that period arises from a contractual or common law right;
 - (ii) **"Active Engagement"** means any period in which a Participant who is not an employee of the Company or an affiliate provides services to the Company or an affiliate. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, a Participant's last day of providing services to the Company or an affiliate, including at common law;
 - (iii) **"Applicable Law"** means any applicable provision of law, federal, provincial or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and the rules of any regulatory authority or stock exchange on which the securities of the Company are listed, including the Exchange;
 - (iv) **"Blackout Period"** means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of an Option;
 - (v) **"Board"** means the board of directors of the Company or its delegate pursuant to Section (b);
 - (vi) **"Cause"** means any grounds at common law for which an employer is entitled to dismiss an employee without notice or pay in lieu of notice, and includes, without limitation, the following:
 - (A) the Participant's breach of a material term of his or her employment agreement or employment, as applicable;
 - (B) the Participant's repeated and demonstrated failure to perform the Participant's material duties of his or her position in a competent manner;
 - (C) the conviction of the Participant for a criminal offence involving fraud or dishonesty, or which otherwise adversely impacts the reputation of the Company;

- (D) the Participant's willful failure to act honestly and in the best interests of the Company;
 - (E) the Participant's breach of his or her fiduciary duties, as applicable;
 - (F) any actions or omissions on the part of the Participant constituting gross misconduct or
 - (G) gross negligence resulting in material harm to the Company or which otherwise adversely impacts the reputation of the Company in a material nature;
- (vii) **"Change of Control"** means any of the following:
- (A) the acceptance by the holders of Shares, representing in aggregate, more than 50% of all issued Shares of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares;
 - (B) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired) directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, if any, representing (assuming the full exercise of such rights to Shares) more than 50% of the combined voting rights of the Company's then outstanding Shares;
 - (C) the entering into of any agreement by the Company to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; provided that no Change of Control shall be deemed to have occurred if (A) the transaction contemplated by such agreement referred to herein is not completed; or (B) upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;
 - (D) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation winding up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and where the shareholdings remain substantially the same following the re-arrangement);
 - (E) individuals who were members of the Board immediately prior to a meeting of shareholders of the Company involving a contest for or an item of business relating to the election of directors, do not constitute a majority of the Board following such contest or election;
 - (F) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (A), (B), (C), (D) and (E) and referred to above; or
 - (G) a determination by the Board, acting in good faith, that a Change of Control has occurred for the purpose of this clause.

For purposes of this Plan, the Board may, by resolution, clarify the date as of which a Change of Control shall be deemed to have occurred.

- (viii) **"Company"** means Queen's Road Capital Investment Ltd., and includes any successor corporation thereof;

- (ix) "**Disability**" means the permanent and total incapacity of a Participant as determined by the Board for purposes of this Plan;
- (x) "**Exchange**" means the TSX and any successor thereof, and if the Shares are not then listed and posted for trading on the facilities of the TSX, such stock exchange in Canada on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (xi) "**Exercise Price**" means the price per share at which Shares may be purchased under the Option, as the same may be adjusted in accordance with Section 6 hereof;
- (xii) "**Insider**" means an insider as defined in the policies of the Exchange;
- (xiii) "**ITA**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder;
- (xiv) "**Market Price**" per Share means the VWAP on the Exchange for the five trading days immediately preceding the relevant date; and in the event that the Shares are not listed and posted for trading on any stock exchange, the Market Price shall be determined by the Board in its sole discretion, acting reasonably;
- (xv) "**Non-Employee Director**" means a director of the Company who is not an officer or employee of the Company or a subsidiary;
- (xvi) "**Option**" means an option to purchase Shares granted pursuant to the Plan;
- (xvii) "**Participants**" means certain directors, officers, *bona fide* employees or Service Providers of the Company or a Subsidiary to whom Options are granted and which Options or a portion thereof remain unexercised;
- (xviii) "**Plan**" means this stock option plan of the Company, as the same may be amended or varied from time to time;
- (xix) "**Retirement**" means the retirement of a Participant who has greater than or equal to five (5) years of service to the Company or its subsidiaries and is older than sixty (60) years of age or as otherwise approved by the Board;
- (xx) "**Security Based Compensation Arrangement**" means any share rights incentive plan, share option, share option plan, employee share purchase plan in existence from time to time where the Company provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Company's treasury, including a share purchase from treasury which is financially assisted by the Company by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Company's treasury;
- (xxi) "**Service Provider**" means an officer or employee of, or a person or company engaged by the Company or a Subsidiary to provide services for an initial, renewable or extendible period of 12 months or more;
- (xxii) "**Shares**" means the common shares in the capital of the Company or, in the event of an adjustment contemplated by Section 6 hereof, such other Shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (xxiii) "**Subsidiary**" has the meaning ascribed thereto in the *Securities Act* (British Columbia) as amended, supplemented or re-enacted from time to time;
- (xxiv) "**Take-over Proposal**" means: (A) any proposal or offer by a third person, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of

the Company's outstanding Voting Shares whether by way of arrangement, amalgamation, merger, consolidation or other business combination, including any single or multi-step transaction or series of related transactions that is structured to permit such third person to acquire in any manner, directly or indirectly, more than 50% of its outstanding Voting Shares; or (B) any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction or other business combination involving the Company;

- (xxv) "**Termination Date**" means, in respect of a Participant, such Participant's last day of Active Employment or Active Engagement (as applicable) with the Company or an affiliate, whether such date is selected by the Participant, by mutual agreement between the Company or an affiliate and the Participant, or unilaterally by the Company or an affiliate;
- (xxvi) "**TSX**" means the Toronto Stock Exchange;
- (xxvii) "**Voting Shares**" means any securities of the Company ordinarily carrying the right to vote at elections of directors; and
- (xxviii) "**VWAP**" means the volume weighted average trading price of the listed Shares, calculated by dividing the total value by the total volume of Shares traded for the relevant period.

3. ADMINISTRATION OF THE PLAN

- (a) The Plan shall be administered by the Board. The Board shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive any rules and regulations implemented by the Board to govern the administration and operation of the Plan subject to any other limitations on the Company. All decisions and interpretations made by the Board shall be final, binding and conclusive upon the Company and on all persons eligible to participate in the Plan and their legal personal representatives.
- (b) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of the Plan to a committee of directors appointed from time to time by the Board, in which case all references herein to the Board shall be deemed to refer to such committee.

4. GRANTING OF OPTIONS

- (a) The Board from time to time shall grant Options to certain directors, officers, *bona fide* employees or Service Providers of the Company or a Subsidiary. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time.
- (b) The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Plan and all other Security Based Compensation Arrangements is 10% of the Shares outstanding from time to time, subject to the following limitations:
 - (i) the maximum number of Shares issuable to Insiders at any time under all Security Based Compensation Arrangements shall not exceed 10% of the outstanding Shares from time to time (calculated on a non-diluted basis); and
 - (ii) the maximum number of Shares that may be issued to Insiders within any one year period under all Security Based Compensation Arrangements shall not exceed 10% of the outstanding Shares from time to time (calculated on a non-diluted basis);

provided that for the purpose of the foregoing limits, any Option granted pursuant to the Plan, or securities issued under any other Security Based Compensation Arrangements, prior to the Participant becoming an Insider shall be excluded for the purposes of the limits set out in (i) and (ii) above.

- (c) For the purposes of this Section 4, any increase in the issued and outstanding Shares (whether as a result of the exercise of Options or otherwise) will result in an increase in the number of Shares that may be issued on exercise of Options outstanding at any time and any increase in the number of Options granted will, upon exercise, make new grants available under the Plan. No fractional Shares may be purchased or issued under the Plan.
- (d) Options that are cancelled, surrendered, terminated or expire prior to the exercise of all or a portion thereof shall result in the Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to this Plan to the extent of any Shares issuable thereunder that are not issued under such cancelled, surrendered, terminated or expired Options.
- (e) Subject to the policies of the Exchange, as applicable, the Exercise Price of any Option shall be fixed by the Board when such Option is granted, provided that such price shall not be less than the Market Price.
- (f) The term of Options granted shall be determined by the Board in its discretion, to a maximum of five years from the date of the grant of the Option. The vesting period or periods within this period during which an Option or a portion thereof may be exercised by a Participant shall be determined by the Board. In the absence of any determination by the Board as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in its sole discretion at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. In the case of options granted on February 29th of any year, the "anniversary date" shall be deemed to be February 28th of each of the subsequent years.
- (g) If the normal expiry date of any Option falls within any Blackout Period or within 10 business days (being a day other than a Saturday, Sunday or other than a day when banks in Vancouver, British Columbia are not generally open for business) following the end of any Blackout Period, then the expiry date of such Options shall, without any further action, be extended to the date that is 10 business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section (1)(c) hereof.

5. EXERCISE OF OPTION

- (a) Subject to the Plan, a Participant (or his or her legal personal representative) may exercise an Option from time to time by the delivery to the Company, at its head office in Vancouver, British Columbia, of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full in cash of the Exercise Price of the Shares then being purchased. Upon exercise of the Option, the Company will cause to be delivered to the Participant a certificate or certificates (or electronic equivalent thereof), representing such Shares in the name of the Participant or the Participant's legal personal representative or otherwise as the Participant may or they may in writing direct. No financial assistance shall be provided by the Company to any Participant to facilitate the exercise of Options granted pursuant to the Plan.
- (b) In lieu of paying cash on the exercise of Options under Section 1(a), the Participant may elect to acquire the number of Shares determined by subtracting the Exercise Price from the Market Price of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by such Market Price of the Shares. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.
- (c) In order to fulfill the Company's obligations under the ITA in respect of withholding and remittance on account of tax payable by Participants on the exercise of Options under Sections 1(a) and 1(b), the Company shall advise each Participant, on receiving such Participant's notice

of intention to exercise, the amount of such remittance (the "**Remittance Amount**") required under subsection 153(1) of the ITA. The Participant shall pay to the Company, as an additional amount on the exercise of their Options, the Remittance Amount; upon receipt of this amount, the Company shall issue to the Participant the Shares for which the Option was exercised.

- (d) Should a Participant not pay the Remittance Amount at the time of exercise of their Options, the Company shall retain and sell on behalf of the Participant such number of Shares having a value equal to the Remittance Amount (and any reasonable costs of disposing of such Shares) on the Exchange to satisfy the Remittance Amount.
- (e) Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under this Plan and the Company, its directors, officers, employees and agents shall bear no liability in connection with the payment of such taxes.

6. ADJUSTMENTS IN SHARES

- (a) Appropriate adjustments in the number of Shares subject to the Plan and, as regarding Options granted or to be granted, in the number of Shares optioned and in the Exercise Price, shall be made by the Board and approved by the Exchange, if required, to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations or reclassifications of the Shares, the payment of distributions or dividends by the Company (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Company, which changes occur subsequent to the approval of the Plan by the Board.
- (b) Options granted to Participants hereunder are non-assignable and non-transferable, except in the case of the death of a Participant (which is provided for in Section 7), and are exercisable only by the Participant to whom the Option has been granted.

7. TERMINATION OF EMPLOYMENT/DEATH

- (a) Subject to any written resolution passed by the Board, if any Participant shall cease to hold the position or positions of director, officer, employee or Service Provider of the Company or any subsidiaries (as the case may be): (i) for any reason other than resignation, termination with Cause, death or Disability, then all Options granted to the Participant under the Plan that have not yet vested within 90 days after the Termination Date shall terminate without payment and shall be of no further force or effect; and (ii) by reason of resignation or termination with Cause, then all Options granted to the Participant under the Plan that have not yet vested as of the Termination Date shall terminate without payment and shall be of no further force or effect. In either case, any vested options must be exercised no later than the earlier of (x) 90 days following the Termination Date and (y) the expiry date of such Options.
- (b) Subject to any express resolution passed by the Board, if any Participant shall cease to hold the position or positions of director, officer or employee of the Company or any subsidiaries (as the case may be) by reason of Retirement, any Options held by such Participant under the Plan at the date such Participant retires shall continue to vest in accordance with the terms of such Options, except, at the discretion of the Board, for any Options which are awarded to such director, officer or employee during the calendar year in which the director, officer or employee retires, all of which Options shall expire.
- (c) Subject to any express resolution passed by the Board, in the event of the death of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the expiry date of such Option or until the expiration of 12 months after the date of death of such Participant, whichever is earlier, and then:
 - (i) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or Applicable Law; and

- (ii) to the extent that he or she was entitled to exercise the Option as at the date of his or her death or within 12 months thereafter.
- (d) Subject to any express resolution passed by the Board, in the event of Disability of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the expiry date of such Option or until the 90th day after the date of Disability of such Participant, whichever is earlier, and then:
 - (i) by any person or persons to whom the Participant's rights under the Option shall pass by Applicable Law; and
 - (ii) to the extent that he or she was entitled to exercise the Option as at the date of his or her Disability or within 90 days thereafter.
- (e) The Plan does not confer upon a Participant any right with respect to continuation of employment by the Company or any Subsidiary, nor does it interfere in any way with the right of the Participant, the Company or the Subsidiary to terminate the Participant's employment at any time.
- (f) Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Company or any of its Subsidiaries.
- (g) A Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to any Option which would have vested or been granted after the Termination Date, or which could have been exercised after the Termination Date but for this Section 7, including but not limited to damages in lieu of notice at common law.

8. CHANGE OF CONTROL

- (a) In the event a Change of Control occurs, all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Options or the Plan for a period of time ending on the earlier of the expiry time of the Option and the thirtieth (30th) day following the effective date of the Change of Control.
- (b) If approved by the Board, Options may provide that, whenever the Company's shareholders receive a Take-over Proposal, such Option may be exercised as to all or any of the Shares in respect of which such Option has not previously been exercised (including in respect of Options not otherwise vested at such time) by the Participant (the "**Take-over Acceleration Right**"), but any such Option not otherwise vested and deemed only to have vested in accordance with the foregoing may only be exercised for the purposes of tendering to such Take-over Proposal. If for any reason any such Shares are not so tendered or, if tendered, are not, for any reason taken up and paid for by the offeree pursuant to the Take-over Proposal, any such Shares so purchased by the Participant shall be and shall be deemed to be cancelled and returned to the treasury of the Company, and shall be added back to the number of Shares, if any, remaining unexercised under the Option (and shall thus be available for exercise of the Option in accordance with the terms thereof) and upon presentation of the Company of share certificates representing such Shares properly endorsed for transfer back to the Company, the Company shall refund to the Participant all consideration paid by him or her in the initial purchase thereof. The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth (10th) day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve.

9. AMENDMENT OR DISCONTINUANCE OF PLAN

- (a) For so long as the rules of the Exchange so require, all unallocated Options will be subject to approval by the holders of the Shares at the annual general meeting of such shareholders held in 2022 and at each annual general meeting of such shareholders every three years after such 2022 meeting.
- (b) Subject to the applicable rules of the Exchange and receipt of prior written approval from the Exchange, the Board may from time to time, in its absolute discretion and without the approval of the shareholders of the Company, make the following amendments to the Plan or any Option:
 - (i) any amendment to the vesting provisions of the Plan and any Option, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of an Option;
 - (ii) any amendment to the Plan or an Option as necessary to comply with Applicable Law or the requirements of the Exchange or any other regulatory body having authority over the Company, the Plan or the shareholders of the Company;
 - (iii) any amendment to the Plan and any Option to permit the conditional exercise of any Option, on such terms as it sees fit;
 - (iv) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
 - (v) any amendment respecting the administration of the Plan; and
 - (vi) any other amendment that does not require the approval of the shareholders of the Company as expressly set out in this Section 9.
- (c) Approval of the Exchange and the shareholders of the Company will be required for the following amendments to the Plan or any Option:
 - (i) any increase in the number of Shares reserved for issuance under the Plan;
 - (ii) any amendment to increase or remove the Insider participation limits set out in Section 2(b);
 - (iii) the provision of financial assistance to a Participant in connection with the exercise of Options;
 - (iv) any reduction in the Exercise Price of an Option, cancellation and reissue of Options or substitution of Options with cash or other awards on terms that are more favourable to the Participants;
 - (v) any extension of the expiry of an Option, except as otherwise provided herein;
 - (vi) an amendment that would permit Options to be transferable or assignable other than for normal estate settlement purposes;
 - (vii) any amendment that would materially modify the eligibility requirements for participation in this Plan; and
 - (viii) an amendment to any of the amending provisions set out in this Section (1)(c) and Section (1)(d).
- (d) Subject to the foregoing, the Board may, at any time and from time to time, without the approval of the holders of Shares, suspend, discontinue or amend this Plan or an Option; provided that unless Participants holding at least 75% of the Options then outstanding otherwise consent in

writing, the Board may not suspend, discontinue or amend the Plan or amend any outstanding Option in a manner that would alter or impair any Option previously granted to a Participant under the Plan, and any such suspension, discontinuance or amendment of the Plan or amendment to an Option shall apply only in respect of Options granted on or after the date of such suspension, discontinuance or amendment.

10. COMPLIANCE WITH LAWS AND EXCHANGE RULES

- (a) The Plan, the grant and exercise of Options under the Plan and the Company's obligation to issue Shares on exercise of Options will be subject to Applicable Law. No Option will be granted and no Shares will be issued under the Plan where such grant or issue would require registration of the Plan or of such Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue of Shares in violation of this provision will be void. Shares issued to holders of Options pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.
- (b) The Option agreement between the Company and each Participant to whom an Option is granted hereunder shall be governed by, interpreted and enforced in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The Company's obligation to issue and deliver Shares under any Option is subject to:
 - (i) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
 - (ii) the admission of such Shares to listing on any Exchange on which such Shares may then be listed; and
 - (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any Exchange on which such Shares are then listed.

11. PARTICIPANTS' RIGHTS

A Participant shall not have any rights as a shareholder of the Company until the issuance of a certificate for Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Shares represented by such certificate or certificates (or electronic equivalent thereof).

No person has any right to compensation or damages for any loss in relation to this Plan, including any loss in relation to:

- (a) any loss or reduction of rights or expectations under the Plan in any circumstances (including termination of employment for any reason); and
- (b) any exercise of discretion or a decision taken in relation to a grant of Options or to the Plan, or any failure to exercise discretion or make a decision.

12. OPTION AGREEMENT

The Option agreement between the Company and each Participant to whom an Option is granted hereunder will be in writing and will set out the number of Shares subject to option, the Exercise Price, the vesting dates, the expiry date and any other terms approved by the Board, all in accordance with the provisions of this Plan. The agreement will be in such form as the Board may from time to time approve or authorize the officers of the Company to enter into and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options under the income tax or other applicable or relevant laws in

force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

13. INDEPENDENT ADVICE

Participants are encouraged to seek tax advice in respect of the grant and exercise of Options and the issuance of the resulting Shares.

14. HOLD PERIOD

In addition to any resale restrictions imposed under applicable securities laws, if required by the Exchange or any other regulatory authority, Options granted under the Plan and Shares issued on exercise of such Options may be required to be legended evidencing that the Options and the Shares issued upon exercise of the Options are subject to a hold period or restricted period as required by the Exchange or other applicable regulatory authority and the Participant by accepting the Option agrees to comply therewith.

15. VOTING SHARES DULY ISSUED

Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Company of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Shares thereunder will not require a resolution or approval of the Board.

16. MERGERS, AMALGAMATION AND SALE

If the Company shall become merged (whether by plan of arrangement or otherwise) or amalgamated in or with another corporation or entity or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation or other entity, the Company shall, subject to this Section 16, make provision that, upon exercise of an Option after the effective date of such merger, amalgamation or sale, the Participant shall receive such number of shares of the continuing successor corporation or other entity in such merger or amalgamation or the securities or shares of the purchasing corporation or other entity as the Participant would have received as a result of such merger, amalgamation or sale if the Participant had purchased the shares of the Company immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Company to the Participant in respect of the Shares subject to the Option shall terminate and be at an end and the Participant shall cease to have any further rights in respect thereof. Adjustments under this section or any determinations as to fair market value of any securities shall be made by the Board, and any reasonable determination made by the Board shall be binding and conclusive.

17. OPTIONS TO COMPANIES

The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (a) wholly-owned by any person whom Options may otherwise be granted hereunder; or (b) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren), subject to any requirements of any applicable regulatory authority having jurisdiction, including any Exchange.

18. EFFECTIVE DATE

This Plan is effective on ●, 2022.