



INFORMATION CIRCULAR
as at April 21, 2022

This Information Circular is furnished in connection with the solicitation of proxies by the management of Metallum Resources Inc. (the “Company”) for use at the Annual General Meeting of the holders of common shares (“**Common Shares**”) of the Company to be held on Thursday, June 9, 2022 (the “**Meeting**”) and any adjournment thereof, at the time and place and for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of the Meeting**”).

In this Information Circular, references to:

- (a) “**Non-Registered Holders**” means shareholders who do not hold Common Shares in their own name and “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Holders.
- (b) “**Common Shares**” reflect the consolidation of the Company’s Common Shares on the basis of one new share for every ten existing shares which was effective March 30, 2021.

PROXIES

Notice-and-Access Process

The Company has elected to use the notice-and-access provisions (“**Notice-and-Access**”) of National Instrument 54-101 for distribution of this Information Circular, form of proxy (“**Proxy**”) and other meeting materials (the “**Meeting Materials**”) to registered shareholders and Non-Registered Holders of the Company.

Under Notice-and-Access, rather than the Company mailing paper copies of the Meeting Materials to shareholders, the Meeting Materials can be accessed online on the Company’s SEDAR profile at sedar.com or on the Company’s website at metallumzinc.com. The Company has adopted this alternative means of delivery for the Meeting Materials in order to reduce paper use and the printing and mailing costs.

Shareholders will receive a “notice package” (the “**Notice-and-Access Notification**”) by prepaid mail, with details regarding the Meeting date, location and purpose, and information on how to access the Meeting Materials online or request a paper copy.

Shareholders will not receive a paper copy of the Meeting Materials unless they contact the Company at the toll free number as set out in the Notice of the Meeting. Provided the request is made prior to the Meeting, the Company will mail the requested materials within three business days. **Requests for paper copies of the Meeting Materials should be made by Thursday, May 26, 2022 in order to receive the Meeting Materials in time to vote before the Meeting.**

Shareholders with questions about Notice-and-Access may contact the Company toll-free at 1-888-627-9378.

Non-Registered Holders

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a Non-Registered Holder are registered either:

- (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or
- (b) in the name of a clearing agency, such as The Canadian Depository for Securities Limited, of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Company will distribute the Notice-and-Access Notification to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders. The Company does not intend to pay Intermediaries to forward the Notice-and-Access Notification if the Non-Registered Holders have provided instructions to their Intermediary that they object to the Intermediary disclosing ownership information about the Non-Registered Holders. In this case, such Non-Registered Holder will not receive the Meeting Materials if the Intermediary does not assume the cost of delivery.

Intermediaries are required to forward the Notice-and-Access Notification to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive Meeting Materials. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will be sent a voting instruction form (“VIF”), rather than a Proxy, which must be completed, signed and returned by the Non-Registered Holder in accordance with the directions in the VIF. In some cases, Non-Registered Holders will instead be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare Trust Company as described under “*Solicitation and Deposit of Proxies and VIFs*” below.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the Proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the form.

Non-Registered Holders should carefully follow the instructions in their Proxy or VIF, including instructions regarding when and where the Proxy or VIF is to be delivered.

Solicitation and Deposit of Proxies and VIFs

While it is expected that the solicitation will be primarily by Notice-and-Access and mail, votes may be solicited personally or by telephone by the directors and regular employees of the Company. All costs of solicitation will be borne by the Company. The Company has arranged for Intermediaries to forward the Notice-and-Access Notification to Non-Registered Holders of Common Shares held as of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

The individuals named in the Proxy and VIF are directors or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting has the right to do so, either by inserting such person’s name in the blank space provided in the Proxy or VIF and striking out the printed names, or by completing another form of proxy or VIF.** The Proxy or VIF will not be valid unless the completed, dated and signed Proxy or VIF is received by Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or is delivered to the Chair of the Meeting prior to commencement of the Meeting or any adjournment thereof.

Voting of Proxies and VIFs

Voting at the Meeting will be by way of a show of hands, with each registered shareholder and proxyholder having one vote, unless a ballot vote is required or requested. Common Shares represented by any properly executed and delivered Proxy or VIF will be voted or withheld from voting only on a ballot, in accordance with the instructions given by the shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set forth herein.**

The Proxy or VIF, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of the Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the Proxy or VIF to vote in accordance with their best judgment on such matters or business. As at the date hereof, the management of the Company knows of no such amendment, variation or other matter that may be come before the Meeting.

Revocation of Proxies and VIFs

A shareholder who has given a Proxy or VIF may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, 200 Burrard Street, Suite 650, Vancouver, British Columbia, V6C 3L6, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chair of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a Proxy or VIF does not affect any matter on which a vote has been taken prior to the revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at the date hereof, the Company has issued and outstanding 283,479,415 fully paid and non-assessable common shares, each share carrying the right to one vote. **THE COMPANY HAS NO OTHER CLASSES OF VOTING SECURITIES.**

Holders of Common Shares as at the Record Date of April 21, 2022 who either personally attend the Meeting or who have completed and delivered a Proxy or VIF in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

To the knowledge of the directors and senior officers of the Company, the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company is:

<u>Name</u>	<u>No. of Shares</u>	<u>Percentage</u>
Frontier Energy Ltd ⁽¹⁾	127,920,000	45.1%

Note:

(1) Publicly traded company.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (“**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of the Meeting, as more particularly described as follows:

Appointment and Remuneration of Auditors

The management of the Company will recommend to the Meeting to appoint Smythe LLP as auditors of the Company for the ensuing year, and to authorize the directors to fix their remuneration. Smythe LLP were first appointed auditors of the Company on January 21, 2019.

Election of Directors

The Board presently consists of four directors and it is intended to set the number of Directors at four and to elect four Directors at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the British Columbia *Business Corporations Act*.

The following table sets out the names of the nominees for election as directors, where each is ordinarily resident, all offices of the Company now held by them, their principal occupations, the period of time for which each has been a director of the Company, and the number of Common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Position and Residency ⁽¹⁾	Principal Occupation ⁽¹⁾	Period as a Director	No. of Common Shares ⁽¹⁾
Simon Ridgway ⁽²⁾ Director & Chairman of the Board British Columbia, Canada	CEO of Volcanic Gold Mines Inc. and Rackla Metals Inc. (mineral exploration).	November 5, 1996 to present	2,997,048
Kerem Usenmez ⁽²⁾ Director, President and Chief Executive Officer Ontario, Canada	Geological Engineer; President and CEO of the Company, January 2021 to present; Managing Partner of Atom Bits, April 2019 to present; Director and General Manager of Spektra Drilling, November 2011 to March 2019; President of Forage Spektra, August 2012 to March 2019.	April 1, 2021 to present	848,333
Grant Davey Director Western Australia, Australia	Founder and Managing Director of Matador Capital Pty Ltd (resource property development), and Founder and Director of Frontier Energy Ltd (clean energy/green hydrogen), over five years.	March 4, 2022 to present	4,166,667
Adam Kiley ⁽²⁾ Director Western Australia, Australia	Corporate Development Executive with Lotus Resources Ltd (uranium development) and Frontier Energy Ltd (clean energy), over five years.	April 19, 2022 to present	1,250,000

Notes:

- (1) The information as to residency, principal occupation, and shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Member of the Audit Committee.

One of the proposed nominees for re-election as a director, Simon Ridgway, was directors of a corporation that, in the past 10 years, was for a period of more than 30 days subject to a management cease trade order (“**MCTO**”) issued by the British Columbia Securities Commission and other Canadian provincial securities regulatory authorities. The MCTO was issued due to the corporation’s failure to file its annual and interim financial statements within the prescribed deadlines. Upon filing of the outstanding financial statements, the MCTO was revoked by the British Columbia Securities Commission.

Stock Option Plan

On April 21, 2022, the Board approved amendments to its stock option plan (the “**Stock Option Plan**”). Certain minor or technical amendments were made, and the Stock Option Plan’s rolling limit has been reduced from 10% to 5% of the outstanding Common Shares of the Company. All outstanding stock options granted by the Company will be governed by the terms and conditions of the Stock Option Plan.

The policies of the TSX Venture Exchange (the “**Exchange**”) require that the Company obtain shareholder approval to its stock option plan yearly at the annual general meeting. The Exchange has conditionally accepted the amendments to the Stock Option Plan, the material terms of which are as follows:

- (a) Persons eligible to be granted a stock option under the Stock Option Plan are Directors, Officers, Employees, Management Company Employees, and Consultants, and an entity all the voting securities of which are owned by such persons;
- (b) the Stock Option Plan reserves for issue pursuant to stock options and any other share compensation arrangement of the Company, a maximum number of Common Shares equal to 5% of the outstanding Common Shares of the Company from time to time;
- (c) unless Disinterested Shareholder Approval is obtained:
 - i. the aggregate number of Common Shares reserved for issue to Insiders under the Stock Option Plan and any other share compensation arrangement of the Company may not exceed 5% of the outstanding Common Shares at any point in time;
 - ii. the aggregate number of Common Shares reserved for issue to Insiders under the Stock Option Plan and any other share compensation arrangement of the Company in any 12-month period may not exceed 5% of the outstanding Common shares as at the time of grant;
 - iii. the number of Common Shares reserved for issue to any one person in any 12 month period under the Stock Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant; and
 - iv. the number of Common Shares issued to any person within a 12 month period pursuant to the exercise of stock options granted under the Stock Option Plan and any other share compensation arrangement of the Company shall not exceed 5% of the outstanding Common Shares at the time of the exercise;
- (d) the number of Common Shares reserved for issue to any Consultant in any 12 month period under the Stock Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- (e) the aggregate number of Common Shares reserved for issue to any person providing Investor Relations Activities in any 12 month period may not exceed 2% of the outstanding Common Shares at the time of grant;
- (f) the Board may determine the manner in which a stock option may vest and become exercisable (apart from stock options granted to persons performing Investor Relations Activities which shall vest as prescribed by the Exchange’s policies);
- (g) the exercise price per Common Share for a stock option may not be less than the Market Price of the Common Shares at the time of the grant;
- (h) stock options may have a term not exceeding ten years;
- (i) stock options are non-assignable and non-transferable;
- (j) the Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Common Shares;
- (k) unless Disinterested Shareholder Approval is obtained, the Board may not reduce the exercise price of a stock option or extend the term of a stock option if such option is held by an Insider at the time of the proposed amendment;
- (l) the Board may, subject to the approval of any regulatory authority whose approval is required, amend, suspend or terminate the Stock Option Plan or any portion thereof; provided, however, that, except as otherwise provided in the Stock Option Plan, the Board may not, without limitation, amend the following provisions of the Stock Option Plan without obtaining, within 12 months either before or after the Board’s adoption of a resolution authorizing such action, approval of the shareholders of the Company:
 - i. persons eligible to be granted or issued stock options;
 - ii. the maximum number of Common Shares that may be issuable under the Stock Option Plan;
 - iii. the limits on the number of stock options that may be granted or issued to any one person or any category of persons;

- iv. the method for determining the exercise price of stock options;
 - v. the maximum term of a stock option;
 - vi. the expiry and termination provisions applicable to a stock option; and
 - vii. the addition of any net exercise provisions; and
- (m) notwithstanding (l) above, the Board may amend the terms of the Stock Option Plan to: (i) fix typographical errors; (ii) comply with the requirements of any applicable regulatory authority, or as a result in the changes in the policies of the Exchange relating to incentive stock options, or (iii) clarify existing provisions of the Stock Option Plan that do not have the effect of altering the scope, nature and intent of such provisions, without obtaining the approval of the Company's shareholders.

"Director", "Disinterested Shareholder Approval", "Employee", "Management Company Employee" "Consultant", "Insiders", "Investor Relations Activities", and "Market Price" have the same definition as in the policies of the Exchange.

The foregoing is qualified in its entirety by reference to the full text of the Stock Option Plan, a copy of which is attached hereto as Schedule "B".

In order to approve the Stock Option Plan for the ensuing year, the shareholders will be asked at the Meeting to approve an ordinary resolution as follows:

"RESOLVED that the Stock Option Plan of the Company, with terms substantially as described in the information circular of the Company dated April 21, 2022, be and is hereby ratified, confirmed and approved, and that the directors of the Company are hereby authorized to make any changes to the Stock Option Plan which may be required in order to obtain acceptance for filing by the TSX Venture Exchange."

Other Matters

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

STATEMENT OF EXECUTIVE COMPENSATION

During the fiscal year ended December 31, 2021, three individuals were "named executive officers" of the Company within the meaning of the definition set out in National Instrument Form 51-102F6V, "Statement of Executive Compensation – Venture Issuers" ("**Form 51-102F6V**"). As required by Form 51-102F6V, the following includes disclosure of the compensation paid or payable by the Company to:

- Simon Ridgway, its former Chief Executive Officer ("**CEO**") until January 29, 2021,
- Kerem Usenmez, its current President and CEO since January 29, 2021, and
- Kevin Bales, its Chief Financial Officer ("**CFO**")

(hereinafter together referred to as "**NEOs**"), and to its directors.

Compensation Excluding Compensation Securities

The following summarizes compensation, excluding Compensation Securities (as defined below), paid or payable to NEOs and directors of the Company during the fiscal year ended December 31, 2021:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Simon Ridgway ⁽¹⁾ Chairman of the Board & Director (former CEO)	2021	42,000 ⁽²⁾	Nil	Nil	Nil	Nil	42,000
	2020	40,000 ⁽²⁾	Nil	Nil	Nil	Nil	40,000
Kerem Usenmez ⁽³⁾ President, CEO & Director	2021	110,000	18,375	Nil	Nil	50,000 ⁽⁴⁾	178,375
	2020	N/A					
Kevin Bales CFO	2021	25,659 ⁽⁵⁾	Nil	Nil	Nil	Nil	25,659
	2020	13,567 ⁽⁵⁾	Nil	Nil	Nil	Nil	13,567
David Cass ⁽⁶⁾ Former Director	2021	8,000 ⁽⁹⁾	Nil	Nil	Nil	Nil	8,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Gordon Tainton ⁽⁷⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Ralph Rushton ⁽⁸⁾ Former Director	2021	7,500 ⁽⁹⁾	Nil	Nil	Nil	Nil	7,500
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Mario Szotlender ⁽¹⁰⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Tim Osler ⁽¹⁰⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Ridgway resigned as CEO On January 29, 2021.
- (2) Paid or payable to Mill Street Services Ltd. ("**Mill Street**") for the corporate development and financial advisory services of Simon Ridgway.
- (3) Mr. Usenmez was appointed President and CEO on January 29, 2021, and as a Director on April 1, 2021.
- (4) On December 31, 2021, Mr. Usenmez was issued 833,333 Common Shares of the Company having a fair value of \$50,000 as part consideration for his services as President and CEO of the Company during 2021.
- (5) Paid or payable to Gold Group Management Inc. ("**Gold Group**") for the services of Kevin Bales as CFO of the Company.
- (6) Mr. Cass resigned as a Director on April 19, 2022.
- (7) Mr. Tainton resigned as a Director on March 4, 2022.
- (8) Mr. Rushton resigned as a Director on December 15, 2021.
- (9) Paid or payable for services as a Director of the Company.
- (10) Messrs. Szotlender and Osler resigned as Directors on April 1, 2021.

Compensation Securities

The following sets forth the details of stock options, convertible securities, exchangeable securities or similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively “**Compensation Securities**”) granted or issued to NEOs and directors during the fiscal year ended December 31, 2021:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	No. of Compensation Securities, No. of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Simon Ridgway Chairman of the Board & Director (former CEO)	Stock Option	500,000 6.6%	Apr. 15, 2021	0.15	0.15	0.075	Apr. 14, 2031
Kerem Usenmez President, CEO & Director	Stock Option	750,000 9.8%	Apr. 15, 2021	0.15	0.15	0.075	Apr. 14, 2031
Kevin Bales CFO	Stock Option	350,000 4.6%	Apr. 15, 2021	0.15	0.15	0.075	Apr. 14, 2031
David Cass Former Director	Stock Option	200,000 2.6%	Apr. 15, 2021	0.15	0.15	0.075	Apr. 14, 2031
Gordon Tainton Former Director	Stock Option	200,000 2.6%	Apr. 15, 2021	0.15	0.15	0.075	Apr. 14, 2031
Ralph Rushton Former Director	Stock Option	200,000 2.6%	Apr. 15, 2021	0.15	0.15	0.075	Apr. 14, 2031
Mario Szotlender Former Director	Nil						
Tim Osler Former Director	Nil						

Notes:

- (1) Stock options are exercisable to purchase an equal number of underlying common shares of the Company.
- (2) The total number of Compensation Securities, and underlying securities, held by each NEO and director as at December 31, 2021 are:

Simon Ridgway	518,375 stock options (and underlying common shares)
Kerem Usenmez	750,000 stock options (and underlying common shares)
Kevin Bales	356,750 stock options (and underlying common shares)
David Cass	219,375 stock options (and underlying common shares)
Gordon Tainton	Nil

The Company’s NEOs and directors did not exercise any Compensation Securities during the fiscal year ended December 31, 2021.

Stock Option Plans and Other Incentive Plans

On April 21, 2022, the Board approved amendments to its Stock Option Plan, the material terms of which are described under “*Particulars of Matters to be Acted Upon – Stock Option Plan*” herein. All outstanding options granted by the Company will be governed by the terms and conditions of the Stock Option Plan.

Compensation Agreements or Arrangements

Pursuant to an agreement dated effective June 1, 2019, as amended March 1, 2022, Mill Street is paid a monthly fee for the corporate development and financial advisory consulting services of Simon Ridgway. The agreement has no fixed expiry date and contains provisions regarding salary and expenses, paid vacation time, benefits, and termination of services. The agreement may be terminated by the Company without cause on 24 months’ notice and by Mill Street on three months’ notice. If, on December 31, 2021, the Company had terminated the agreement without cause, \$10,500 would have been payable to Mill Street. Mill Street is controlled by Simon Ridgway, the Chairman of the Company.

Pursuant to an employment agreement dated February 1, 2021, Kerem Usenmez is paid a monthly fee for his services as President and CEO of the Company. The agreement has no fixed expiry date and contains provisions regarding fees and expenses, and termination of services. The agreement may be terminated by the Company without cause during the first year of employment on three months’ notice, and to increase by six months every subsequent two years of employment. Mr. Usenmez may terminate the agreement on three months’ notice to the Company. If, on December 31, 2021, the Company had terminated the agreement without cause, \$30,000 would have been payable to Mr. Usenmez. If a change of control of the Company had occurred, \$180,000 would have been payable to him

Pursuant to an agreement dated December 15, 2021, the Company issued 833,333 Common Shares of the Company to Kerem Usenmez for services provided as President and CEO of the Company during the 10-month period from February 1 to November 30, 2021.

Pursuant to an agreement dated July 1, 2012, as amended June 1, 2019, Gold Group is reimbursed by the Company on a monthly basis for certain shared costs and other business related expenses paid by Gold Group on behalf of the Company, including the services of the Company’s Chief Financial Officer. The agreement may be terminated by the Company on 12 months’ notice and by Gold Group on three months’ notice. Gold Group is controlled by Simon Ridgway, the Chairman of the Company.

Oversight and Description of Director and NEO Compensation

The Company does not have a formal compensation program. The Board relies on the experience of its members as officers or directors of other junior exploration companies to ensure that total compensation paid to the Company’s NEOs and directors is fair and reasonable. The Board meets periodically to discuss and determine such compensation, without reference to formal objectives, criteria or analysis.

The general philosophy of the Company’s compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interest of shareholders; (c) provide a compensation package that is commensurate with other mineral exploration companies in order to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company’s overall financial position.

Compensation to the Company’s NEOs is comprised solely of cash salaries and/or incentive stock options. During the fiscal year ended December 31, 2021, the compensation to the Company’s NEOs consisted of cash salaries and stock options. The Company may in the future grant incentive stock options to its NEOs and directors.

In establishing levels of cash compensation and the granting of stock options, the individual’s performance, level of expertise, and responsibilities are considered. Stock options are generally granted at the time of the individual’s appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

Incentive stock options are granted pursuant to the Stock Option Plan which is designed to encourage share ownership on the part of the Company’s management, directors, employees, and consultants. The Board believes that the Stock Option Plan aligns the interests of the Company’s personnel with shareholders by linking compensation to the longer term performance of the Company’s shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward each executive officer’s efforts to increase shareholder value without requiring the use of the Company’s cash reserves.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is its Stock Option Plan which was previously approved by the shareholders on March 18, 2021. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Stock Option Plan provides that the number of common shares of the Company issuable under the Stock Option Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares.

The following table sets out information regarding compensation plans under which equity securities of the Company are authorized for issuance, as at December 31, 2021:

EQUITY COMPENSATION PLAN			
Plan Category	(a) No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) No. of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities Reflected in column (a))
Equity Compensation Plan Approved by Shareholders	3,393,625	\$0.32	16,217,149
Equity Compensation Plans Not Approved by Shareholders	N/A	N/A	N/A
Total:	3,393,625	\$0.32	16,217,149

On April 21, 2022, the Board approved amendments to its Stock Option Plan, the material terms of which are described under *“Particulars of Matters to be Acted Upon – Stock Option Plan”* herein. All outstanding options granted by the Company will be governed by the terms and conditions of the Stock Option Plan.

AUDIT COMMITTEE

Pursuant to the provisions of National Instrument 52-110, *Audit Committees (“NI 52-110”)*, the Company’s Audit Committee has adopted a written charter (the **“Charter”**) that sets out its mandate and responsibilities. The Charter is attached hereto as Schedule *“A”*. As the Company is a *“venture issuer”* (as defined in NI 52-110), it is relying on the exemptions provided to it in Section 6.1 of NI 52-110 with respect to audit committee composition and reporting obligations.

The Audit Committee of the Company consists of Simon Ridgway, Kerem Usenmez and Adam Kiley, of whom all are considered *“financially literate”* and Adam Kiley is considered *“independent”*, within the meanings given to those terms in NI 52-110. A majority of the Audit Committee members are not executive officers, employees or control persons of the Company. The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

<u>Name</u>	<u>Education and Experience</u>
Simon Ridgway	Mr. Ridgway is a mining executive, entrepreneur and financier with over 30 years' experience in precious metal exploration, financing and leading teams that have gone from grassroots discoveries through to production. He is currently CEO or Chairman of three other publicly traded resource companies. His background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.
Kerem Usenmez	Mr. Usenmez is a Geological Engineer and a mining entrepreneur with over 20 years of global experience and has worked in various technical and leadership roles. After working with various VMS deposits and discoveries while working with Inco, Vale and Amec, he managed a drilling company, where the company grew during the downturn. He worked in numerous VMS deposits in Canada, such as Duck Pond NFLD, Bathurst in New Brunswick, and in Northern Manitoba, mainly in base metals, such as Zinc. He co-owns Atom Bits, a rapidly growing diamond drilling bit manufacturer in Canada. He is a member of the Board of Directors of the PDAC, is the Chair of the Securities Committee of the PDAC, and the Co-Chair of the Public Affairs Committee of the PDAC. His background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.
Adam Kiley	Mr. Kiley has over 15 years' experience in the mining sector with a depth of experience in providing corporate and financial advisory services to ASX listed companies in both Australia and the United Kingdom. Adam holds a Bachelor of Commerce from Curtin University. He is currently a corporate development executive with two publicly listed companies. His background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.

The Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Audit Committee's Charter under the heading "Responsibilities and Authority". Fees billed to the Company during the past two fiscal years for services by the Company's auditors are as follows:

	<u>2021</u>	<u>2020</u>
Audit Fees	\$35,000	\$58,000
Audit-Related Fees	Nil	Nil
Tax Fees	3,000	4,000
All Other Fees	<u>4,000</u>	<u>5,000</u>
	\$42,000	\$67,000

Notes:

"Audit Fees" are the aggregate fees billed for the audit of the Company's consolidated annual financial statements and review of transactions completed by the Company, and for review of fiscal 2020 interim financial statements.

"Audit-Related Fees" are fees charged for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".

"Tax Fees" are fees for tax return preparation.

"All Other Fees" are amounts not included in the above categories, and are for services related to the Company's acquisition of the Superior Lake zinc and copper project which was completed in 2021.

CORPORATE GOVERNANCE

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company

to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

Pursuant to National Instrument 58-101, *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Instrument Form 58-101F2, *Corporate Governance Disclosure (Venture Issuers)*, the Company is required to and hereby discloses its corporate governance practices as follows:

Board of Directors

The Board considers Grant Davey and Adam Kiley to be “independent” according to the definition set out in NI 58-101. Simon Ridgway and Kerem Usenmez are not independent as they are current or former officers of the Company.

The independent Directors believe that their knowledge of the Company’s business, and their independence are sufficient to facilitate the functioning of the Board independently of management. The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, during the course of a directors’ meeting, if they deem it appropriate, the independent directors may meet *in camera*.

Directorships

The directors of the Company are presently directors of one or more other reporting issuers, as follows:

Director	Other Issuers
Simon Ridgway	Rackla Metals Inc. Radius Gold Inc. Volcanic Gold Mines Inc.
Grant Davey	Cradle Resources Limited Frontier Energy Ltd. Lotus Resources Limited

Orientation and Continuing Education

Management will ensure that a new appointee to the Board is aware of his or her duties and responsibilities of a director of the Company. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company’s business will be necessary and relevant to each new director, as well as the continuing education needs of all Board members.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

Given the Company’s current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the CEO of the Company.

Other Board Committees

The only Board committee of the Company is the Audit Committee.

Assessments

The Company has not determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

On August 23, 2018, the Company issued secured convertible debentures (the “**Debentures**”) for the total principal sum of \$4,068,466 and 2,542,791 share purchase warrants to Sprott Resource Lending Partnership and its affiliate (“**Sprott**”). The debentures had a term of three years, and were convertible, at the election of the holder, into common shares of the Company at the rate of \$0.80 per share if converted on or before August 23, 2019, or at the rate of \$1.00 per share if converted after August 23, 2019. The share purchase warrants were exercisable at a price of \$0.80 per share for up to three years. The debentures bore interest which was to be paid quarterly in cash at the rate of 8% per annum or in common shares of the Company at the rate of 10% per annum.

On April 1, 2021, the Company completed the acquisition of the Superior Lake Zinc Project. As part of the transaction, the Company:

- (a) settled all debt related to the Debentures with the issuance of 18,675,257 Common Shares, and the share purchase warrants held by Sprott expired unexercised; and
- (b) issued 3,200,000 Common Shares as an advisory fee to Sprott Capital Partners LP.

The foregoing Sprott entities are controlled by Sprott Inc., of 200 Bay Street, Suite 2700, Toronto, ON M5J 2J1. At the time of the foregoing transactions, Sprott Inc. was an insider of the Company by virtue of indirectly holding or controlling more than 10% of the issued capital of the Company.

Other than as disclosed in this Information Circular, no insider, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2021 which has materially affected or would materially affect the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for viewing at www.sedar.com. Financial information is provided in the Company’s financial statements and accompanying management’s discussion and analysis for the fiscal year ended December 31, 2021. Copies of financial statements and accompanying MD&A may be obtained by contacting the Company, attention Corporate Secretary, at 200 Burrard Street, Suite 650, Vancouver, BC V6C 3L6 (Tel: 604-688-5288; Fax: 604-682-1514).

BY ORDER OF THE BOARD

Kerem Usenmez,
President and Chief Executive Officer

METALLUM RESOURCES INC.
(the "Company")

AUDIT COMMITTEE CHARTER

Purpose

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the "**Board**") in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by management and the Company's external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

Responsibilities and Authority

Subject to the powers and duties of the Board, the Board has delegated to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board. Nothing in this Charter is intended to or does confer on any member a higher standard of care or diligence than that which applies to the directors as a whole.

1. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board.
2. The Audit Committee shall be responsible for making the following recommendations to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditor.
3. The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
 - (b) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (c) reviewing audited annual financial statements, in conjunction with the report of the external auditor;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
 - (e) reviewing the evaluation of internal controls by the external auditor, together with management's response.
4. The Audit Committee shall review interim unaudited financial statements before release to the public.
5. The Audit Committee shall review all public disclosures of audited or unaudited financial information before release, including any prospectus, annual report, annual information form, and management's discussion and analysis.
6. The Audit Committee shall review the appointments of the chief financial officer and any other key financial executives involved in the financial reporting process, as applicable.
7. Except as exempted by securities regulatory policies, the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor.

8. The Audit Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
9. The Audit Committee shall periodically review and approve the Company's hiring policies, if any, regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
10. The Audit Committee shall have the authority to:
 - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
 - (c) to communicate directly with the external auditors.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

Relationship with External Auditors

The external auditor is required to report directly to the Audit Committee. Opportunities shall be afforded periodically to the external auditor and to members of senior management to meet separately with the Audit Committee.

Composition

The Audit Committee is composed of a minimum of three Directors, a majority of whom are independent and all of whom have relevant skills and/or experience in the Audit Committee's areas of responsibility as required by the securities laws applicable to the Company, including those of any stock exchange on which the Company's securities are traded.

The members and Chair of the Audit Committee are appointed or confirmed by the Board annually and hold office at the pleasure of the Board. The Board fills any vacancy on, or any additional members to, the Audit Committee.

Structure and Operations

1. The Audit Committee shall meet in person or by conference call as frequently as necessary to carry out its responsibilities under this Charter, but in any event at least once per year.
2. With the assistance of the Corporate Secretary of the Company, the Audit Committee Chair shall be responsible for calling the meetings of the Audit Committee, establishing meeting agenda with input from management, and supervising the conduct of the meetings.
3. The minutes of all meetings shall be recorded by the Corporate Secretary of the Company or such other person as appointed by the Audit Committee Chair.
4. A majority of the independent members of the Audit Committee will constitute a quorum for conducting business at a meeting of the Audit Committee.
5. The Audit Committee may request any officer or other employee of the Company, or any representative of the Company's legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Audit Committee.

Effective Date

This Charter was implemented by the Board on October 22, 2014.

METALLUM RESOURCES INC.

INCENTIVE STOCK OPTION PLAN
Amended and Restated Effective April 21, 2022

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Affiliate"** has the meaning ascribed thereto by the Exchange;
- (b) **"Board"** means the Board of Directors of the Corporation or, as applicable, a committee consisting of not less than 3 Directors of the Corporation duly appointed to administer this Plan;
- (c) **"Common Shares"** means the common shares of the Corporation;
- (d) **"Consultant"** means an individual who:
 - (i) provides ongoing consulting, technical, management or other services to the Corporation or an Affiliate under a written contract with the Corporation or the Affiliate,
 - (ii) possesses technical, business or management expertise of value to the Corporation or an Affiliate,
 - (iii) in the opinion of the Corporation, spends or will spend a reasonable amount of time and attention on the business and affairs of the Corporation or an Affiliate, and
 - (iv) has a relationship with the Corporation or an Affiliate that enables the Consultant to be knowledgeable about the business and affairs of the Corporation or the Affiliate,and includes a company of which a Consultant is an employee or shareholder and a partnership of which a Consultant is an employee or partner;
- (e) **"Corporation"** means Metallum Resources Inc. and its successor entities;
- (f) **"Director"** means a director of the Corporation or of an Affiliate;
- (g) **"Disinterested Shareholder Approval"** has the meaning ascribed thereto by the Exchange in "Policy 4.4 – *Security Based Compensation*" of the Exchange's Corporate Finance Manual;
- (h) **"Eligible Person"** means a bona fide Director, Officer, Employee, Management Company Employee or Consultant, and includes an issuer all the voting securities of which are owned by Eligible Persons;
- (i) **"Employee"** means an individual who:
 - (i) is considered an employee of the Corporation or an Affiliate under the *Income Tax Act*, i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
 - (ii) works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source, or
 - (iii) works for the Corporation or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source;

- (j) **"Exchange"** means the TSX Venture Exchange and any successor entity;
- (k) **"Exchange Hold Period"** means a four-month resale restriction imposed by the Exchange which, for greater certainty, as of the date hereof has the meaning assigned by Policy 1.1. of the policies of the Exchange;
- (l) **"Expiry Date"** means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;
- (m) **"Insider"** has the meaning ascribed thereto by the Exchange;
- (n) **"Investor Relations Activities"** has the meaning ascribed thereto by the Exchange;
- (o) **"Management Company Employee"** means an individual who is employed by a person providing management services to the Corporation or an Affiliate which are required for the ongoing successful operation of the business enterprise of the Corporation or the Affiliate, but excluding a person providing Investor Relations Activities;
- (p) **"Officer"** means an officer of the Corporation or of an Affiliate, and includes a Management Company Employee;
- (q) **"Option"** means an option to purchase Common Shares pursuant to this Plan;
- (r) **"Other Share Compensation Arrangement"** means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
- (s) **"Participant"** means an Eligible Person who has been granted an Option;
- (t) **"Plan"** means this Incentive Stock Option Plan.

1.2 Interpretation

- (a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation and its Affiliates;
- (b) encouraging Eligible Persons to remain with the Corporation or its Affiliates; and
- (c) attracting new Directors, Officers, Employees and Consultants.

2.2 Shares Reserved

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 5% of the outstanding Common Shares at the time of the granting of an Option, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation

Arrangement. For greater certainty, if an Option is exercised, surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.

- (b) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the approval of any relevant regulatory authority or the Exchange, if required, appropriate substitution and/or adjustment in:
- (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
 - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
 - (iii) the vesting of any Options (subject to the approval of the Exchange if such vesting is mandatory under the policies of the Exchange), including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable. For clarity, any adjustment, other than in connection with a share consolidation or share split, to Options granted or issued under this Plan, will be subject to the prior acceptance of the Exchange.

- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
- (d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authorities whose approval is required. Any Options outstanding prior to the date of this Plan shall be subject to this Plan, and any Options granted after the date of this Plan but prior to such regulatory approvals being given may not be exercised unless and until such approvals are given.

ARTICLE 3 ADMINISTRATION OF PLAN

3.1 Administration

- (a) This Plan shall be administered by the Board. Subject to the provisions of this Plan, the Board shall have the authority:
- (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon

exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited;

- (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 hereof.

- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Participants and all other persons.

3.2 Amendment, Suspension and Termination

The Board may, subject to the approval of any regulatory authority whose approval is required, amend, suspend or terminate this Plan or any portion thereof; provided, however, that, except as otherwise provided in this Plan, the Board may not, without limitation, amend the following provisions of this Plan without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval by the affirmative votes of the holders of a majority of the voting securities of the Corporation present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, or by the written consent of the holders of a majority of the securities of the Corporation entitled to vote:

- (a) persons eligible to be granted or issued Options under the Plan;
- (b) the maximum number of Common Shares that may be issuable under the Plan;
- (c) the limits under the Plan on the number of Options that may be granted or issued to any one person or any category of persons;
- (d) the method for determining the exercise price of Options;
- (e) the maximum term of an Option;
- (f) the expiry and termination provisions applicable to an Option; and
- (g) the addition of any net exercise provision;

provided, the Board may amend the terms of the Plan (i) to fix typographical errors; (ii) to comply with the requirements of any applicable regulatory authority, or as a result in the changes in the policies of the Exchange relating to incentive stock options or (iii) to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions, without obtaining the approval of the Corporation's shareholders. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Legislation

- (a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.

- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.
- (a) If required by the Exchange, in addition to any resale restrictions under applicable securities laws, all Options and any Common Shares issued on the exercise of Options will be subject to the Exchange Hold Period and shall be legended with the four-month Exchange Hold Period commencing on the date the Options are granted.
- (b) Common Shares sold, issued and delivered to Participants pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading (including, but not limited to, the Exchange Hold Period, if applicable), and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

ARTICLE 4 OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. The Corporation and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement executed by the Participant and any director or officer of the Corporation other than the Participant. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

- (a) **To any one person.** The number of Common Shares reserved for issuance to any one person in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Corporation has obtained Disinterested Shareholder Approval to exceed such limit.
- (b) **To Consultants.** The number of Common Shares reserved for issuance to any one Consultant in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (c) **To persons conducting Investor Relations Activities.** The aggregate number of Common Shares reserved for issuance to all Participants conducting Investor Relations Activities in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (d) **To Insiders.** Unless the Corporation has received Disinterested Shareholder Approval to do so:
 - (i) the aggregate number of Common Shares reserved for issuance to Insiders under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at any point in time;

- (ii) the aggregate number of Common Shares reserved for issuance to Insiders in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares as at the time of the grant.
- (e) **Exercises.** Unless the Corporation has received Disinterested Shareholder Approval to do so, the number of Common Shares issued to any person within a 12 month period pursuant to the exercise of Options granted under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the exercise.

ARTICLE 5 OPTION TERMS

5.1 Exercise Price

- (a) The exercise price per Common Share for an Option shall not be less than the "Market Price", as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required or permitted by the Exchange.
- (b) If Options are granted within ninety days of a distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection (a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such distribution. Such ninety day period shall begin:
 - (i) on the date the final receipt is issued for the final prospectus in respect of such distribution; and
 - (ii) in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

5.2 Expiry Date

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.

5.3 Vesting

- (a) Subject to the subsection (b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.
- (b) Options granted to Participants performing Investor Relations Activities shall vest as prescribed by the Exchange's policies from time to time and such vesting restrictions may not be amended without the prior written consent of the Exchange.

5.4 Non-Assignability

Options may not be assigned or transferred (whether absolutely or way of mortgage, pledge or other charge) by a Participant other than by will or other testamentary instrument or the laws of succession and may be exercised by the Participant or his/her legal representative only.

5.5 Ceasing to be Eligible Person

- (a) If a Participant who is an Officer, Employee or Consultant is terminated for cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.
- (b) If a Participant dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Participant's death, always provided that the Board may,

in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Participant's death.

- (c) If a Participant ceases to be an Eligible Person other than in the circumstances set out in subsection 5.5(a) or (b) herein, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is 90 days after such event, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after such event, and further provided that the Board may, in its discretion, on a case-by-case basis and only with the approval of the Exchange, further extend the date of such termination and the resulting period in which such Option remains exercisable to a date exceeding the date which is after twelve months of such event.
- (d) For greater certainty, if a Participant dies, each Option held by such Participant shall be exercisable by the legal representative of such Participant until such Option terminates and therefore ceases to be exercisable pursuant to the terms of Section 5.5(b).
- (e) If any portion of an Option is not vested at the time a Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion further and subject to the approval of the Exchange where the vesting of the said Participant's options was a requirement of the Exchange's policies, thereafter permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and without limitation, this provision will apply regardless of whether the Participant ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option to vest.

ARTICLE 6 EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Participant or his/her legal representative only upon his/her delivery to the Corporation at its registered office of:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;
- (b) a certified cheque or bank draft made payable to the Corporation, or electronic transfer of readily available funds, for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised; and
- (c) documents containing such representations, warranties, agreements and undertakings, including such as to the Participant's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;

and thereafter the Corporation shall promptly cause certificates for such Common Shares to be issued and delivered to the Participant or his/her legal representative.

6.2 Withholding

The Corporation may withhold from any amount payable to an optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("**Withholding Obligations**"). The Corporation may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such Withholding Obligations including, without limitation, requiring the optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such Withholding Obligations or (b) selling on the optionee's behalf, or requiring the optionee to sell, any Common Shares acquired by the optionee under the Plan, or retaining any amount which would otherwise be payable to the optionee in connection with any such sale.

ARTICLE 7 AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Participant and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Participant is an Insider at the time of the proposed amendment.

7.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

ARTICLE 8 MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon a Participant any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Participant shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon a Participant any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Participant's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.