

HIGHWAY 50 GOLD CORP.
Suite 2710 - 200 Granville Street
Vancouver, British Columbia
V6C 1S4

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Highway 50 Gold Corp. (the “**Corporation**”) will be held at 10:00 a.m. (Vancouver time) on Friday, December 2, 2022 at Suite 2710 - 200 Granville Street, Vancouver, British Columbia for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2021 and accompanying report of the auditor;
2. to determine the number of directors at five;
3. to elect five persons as directors of the Corporation for the ensuing year;
4. to re-appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Corporation for the ensuing year at a remuneration to be fixed by the directors;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to approve the adoption of a new 10% rolling stock option plan of the Corporation, as more particularly described in the accompanying information circular of the Corporation (the “**Information Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to and expressly made a part of this Notice of Meeting.

Only shareholders of record at the close of business on October 21, 2022 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment(s) or postponement(s) thereof. If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Fax: within North America 1-866-249-7775, outside North America 1-416-263-9524) by mail, fax or by following the procedure for telephone or internet voting provided in the accompanying form of proxy no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment(s) or postponement(s) thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. If a registered shareholder receives more than one form of proxy because such shareholder owns shares registered in different names or addresses, each form of proxy should be completed and returned.

If you are a non-registered shareholder of the Corporation and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia as of the 21st day of October, 2022.

HIGHWAY 50 GOLD CORP.

“Gordon P. Leask”

GORDON P. LEASK
President, Chief Executive Officer and Director

HIGHWAY 50 GOLD CORP.

INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FRIDAY, DECEMBER 2, 2022

This information is given as of October 21, 2022 unless otherwise noted.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **Highway 50 Gold Corp.** (the “Corporation”) for use at the Annual General and Special Meeting (the “Meeting”) of the shareholders of the Corporation, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment(s) or postponement(s) thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed instrument of proxy is solicited by Management. Solicitations will be made by mail and possibly supplemented by telephone, electronic or other personal contact to be made without special compensation by directors, officers and employees of the Corporation. The Corporation may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Corporation. None of the directors of the Corporation have advised that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

APPOINTMENT OF PROXYHOLDER

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the proxyholder for the registered shareholder (“Registered Shareholder”). The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the Corporation (the “Management Proxyholders”).

A Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Registered Shareholder.

VOTING BY PROXY

Common shares of the Corporation (the “Shares”) represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Registered Shareholder on any ballot that may be called for, and if the Registered Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If no choice is specified and one of the Management Proxyholders is appointed by a Registered Shareholder as proxyholder, such person will vote in favour of each matter identified in the Notice of Meeting and for the nominees of management for directors and auditor.

The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Fax: within

North America 1-866-249-7775, outside North America 1-416-263-9524) by mail, fax or by following the procedure for telephone or internet voting provided in the accompanying form of proxy, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) or postponement(s) thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant.

The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Non-Registered Holder and asks the Non-Registered Holder to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Non-Registered Holder who receives a voting instruction form cannot use that form to vote Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of the Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted.** All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “OBOs”.

Meeting Materials sent to NOBOs are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her/its behalf, the Non-Registered Holder may write his/her/its name (or the name of someone else whom he/she/it wishes to attend the Meeting on his/her/its behalf) in the place provided for that purpose in the VIF, which will grant the Non-Registered Holder or his/her/its nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

The Corporation is taking advantage of NI 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* which permits the Corporation to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from the Corporation’s transfer agent, Computershare Investor Services Inc. (“Computershare”). The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile, or a NOBO has the option to submit their proxy vote either by telephone or via the internet in the manner described in the VIF. Computershare tabulates the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by those VIFs.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its transfer agent has 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 on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding 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 the request for voting instructions.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. Management of the Corporation does not intend to pay for Intermediaries to forward the Meeting Materials and VIF to OBOs. An OBO will not receive the Meeting Materials and VIF unless the OBO's Intermediary assumes the cost of delivery.

REVOCABILITY OF PROXY

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation at Suite 910, 800 West Pender Street, Vancouver, British Columbia V6C 2V6 at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting or, if adjourned or postponed, any reconvening thereof. A revocation of proxy does not affect any matter on which a vote has been taken prior to the revocation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for the election of directors, the appointment of auditors and the approval of the 2022 Option Plan (as defined below). See "*Matters to be Approved at the Meeting*".

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On October 21, 2022, an aggregate of 41,608,982 Shares without par value were issued and outstanding, each Share carrying the right to one vote. At a general meeting of the Corporation, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each Share of which he/she/it is the holder.

Only shareholders of record on the close of business on October 21, 2022 who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the headings "Appointment of Proxyholder", "Completion and Return of Proxy" and "Revocability of Proxy" will be entitled to have his, her, their or its Shares voted at the Meeting or any adjournment(s) or postponement(s) thereof.

To the knowledge of the directors and executive officers of the Corporation, the following persons beneficially own, or exercises control or direction over, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Corporation:

Name	Number of Shares Held	Percentage of Shares Held
Gordon P. Leask	5,988,757	14.37 %
John M. Leask	4,361,330	10.48 %

The above information was obtained from the System for Electronic Disclosure by Insiders on October 21, 2022.

STATEMENT OF EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation

In this section, “Named Executive Officer” or “NEO” means (a) the chief executive officer (“CEO”), (b) the chief financial officer (“CFO”), (c) the most highly compensated executive officer of the Corporation, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer of the Corporation and was not acting in a similar capacity, at the end of that financial year.

During the Corporation’s financial year ended December 31, 2021, the following individuals were the Named Executive Officers of the Corporation:

- Gordon P. Leask, CEO, President and a director of the Corporation
- Scott Davis, CFO.

All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary of the Corporation to each Named Executive Officer and director of the Corporation during the financial years ended December 31, 2021 and December 31, 2020:

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
Gordon P. Leask President, CEO and Director	Dec 31/21	\$120,000	\$Nil	\$Nil	N/A	N/A	\$120,000 ⁽¹⁾
	Dec 31/20	\$120,000	\$Nil	\$Nil	N/A	N/A	\$120,000 ⁽²⁾
Scott Davis CFO	Dec 31/21	\$36,000	\$Nil	\$Nil	N/A	N/A	\$36,000 ⁽³⁾
	Dec 31/20	\$36,000	\$Nil	\$Nil	N/A	N/A	\$36,000 ⁽³⁾
John M. Leask Director	Dec 31/21	\$120,000	\$Nil	\$Nil	N/A	N/A	\$120,000 ⁽⁴⁾
	Dec 31/20	\$120,000	\$Nil	\$Nil	N/A	N/A	\$120,000 ⁽⁵⁾
Megan Cameron-Jones Corporate Secretary and Director	Dec 31/21	\$60,000	\$Nil	\$Nil	N/A	N/A	\$60,000 ⁽⁶⁾
	Dec 31/20	\$60,000	\$Nil	\$Nil	N/A	N/A	\$60,000 ⁽⁶⁾
Peter Krag-Hansen Director	Dec 31/21	\$Nil	\$Nil	\$Nil	N/A	N/A	\$Nil
	Dec 31/20	\$Nil	\$Nil	\$Nil	N/A	N/A	\$Nil
Paul Reynolds ⁽⁷⁾ Director	Dec 31/21	\$Nil	\$Nil	\$Nil	N/A	N/A	\$Nil
	Dec 31/20	N/A	N/A	N/A	N/A	N/A	N/A
Bassam Moubarak ⁽⁸⁾ Former Director	Dec 31/21	N/A	N/A	N/A	N/A	N/A	N/A
	Dec 31/20	\$Nil	\$Nil	\$Nil	N/A	N/A	\$Nil

(1) Of this amount, Mr. Gordon Leask invoiced \$120,000 in his capacity as President and CEO of the Corporation and \$Nil in his capacity as a director. Of this amount, \$120,000 was accrued to Eagle Putt Ventures Inc. (“Eagle Putt”), a private company controlled by Mr. Leask pursuant to the Eagle Putt MSA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.

(2) Of this amount, Mr. Gordon Leask invoiced \$120,000 in his capacity as President and CEO of the Corporation and \$Nil in his capacity as a director. Of this amount, \$120,000 was accrued to Eagle Putt Ventures Inc. (“Eagle Putt”), a private company controlled by

Mr. Leask pursuant to the Eagle Putt MSA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.

- (3) This amount was paid to Cross Davis & Co. LLP, an accounting firm of which Mr. Davis, the CFO of the Corporation, is a partner, for accounting services.
- (4) Mr. John M. Leask invoiced \$120,000 in consulting fees. Of this amount, \$120,000 was accrued to Rangefront Exploration Corp. (“Rangefront”), a private company controlled by Mr. Leask pursuant to the Rangefront MSA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.
- (5) Mr. John M. Leask invoiced \$120,000 in consulting fees. Of this amount, \$120,000 was accrued to Rangefront Exploration Corp. (“Rangefront”), a private company controlled by Mr. Leask pursuant to the Rangefront MSA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.
- (6) Of this amount, Ms. Megan Cameron-Jones invoiced \$60,000 in her capacity as Corporate Secretary of the Corporation and \$Nil in her capacity as a director. Of this amount, \$60,000 was accrued to Ms. Cameron-Jones.
- (7) Mr. Reynolds was appointed as director of the Corporation on December 31, 2020.
- (8) Mr. Moubarak resigned as director of the Corporation on December 31, 2020.

Stock Options and Other Compensation Securities

Table of Compensation Securities

The following table discloses all compensation securities granted or issued to each director and Named Executive Officer by the Corporation or one of its subsidiaries during the financial year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries:

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying ⁽¹⁾ 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
Gordon P. Leask⁽²⁾ President, CEO and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Scott Davis⁽³⁾ CFO	Stock Options	50,000 (1.62%)	Apr 30, 2021	\$0.35	\$0.39	\$0.185	Apr 30, 2026
John M. Leask⁽⁴⁾ Director	Stock Options	300,000 (9.72%)	Apr 30, 2021	\$0.35	\$0.39	\$0.185	Apr 30, 2026
Megan Cameron-Jones⁽⁵⁾ Corporate Secretary and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Bassam Moubarak⁽⁶⁾ Former Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Peter Krag-Hansen⁽⁷⁾ Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Paul Reynolds⁽⁸⁾ Director	Stock Options	200,000 (6.48%)	Jan 4, 2021	\$0.38	\$0.38	\$0.185	Jan 4, 2026

- (1) Each outstanding stock option of the Corporation entitles the holder thereof to acquire, upon exercise, one Share in the capital of the Corporation.
- (2) As at December 31, 2021, Mr. Gordon Leask held 750,000 stock options of the Corporation entitling him to acquire, upon exercise, 750,000 Shares in the capital of the Corporation. All options are vested.
- (3) As at December 31, 2021, Mr. Davis held 200,000 stock options of the Corporation entitling him to acquire, upon exercise, 200,000 Shares in the capital of the Corporation. All options are vested.
- (4) As at December 31, 2021, Mr. John M. Leask held 750,000 stock options of the Corporation entitling him to acquire, upon exercise, 750,000 Shares in the capital of the Corporation. All options are vested.
- (5) As at December 31, 2021, Ms. Cameron-Jones held 750,000 stock options of the Corporation entitling her to acquire, upon exercise, 750,000 Shares in the capital of the Corporation. All options are vested.
- (6) As at December 31, 2021, Mr. Moubarak held no stock options of the Corporation. Mr. Moubarak resigned as a director of the Corporation on December 31, 2020.

- (7) As at December 31, 2021, Mr. Krag-Hansen held 200,000 stock options of the Corporation entitling him to acquire, upon exercise, 200,000 Shares in the capital of the Corporation. All options are vested.
- (8) As at December 31, 2021, Mr. Reynolds held 200,000 stock options of the Corporation entitling him to acquire, upon exercise, 200,000 Shares in the capital of the Corporation. All options are vested.

Exercise of Compensation-Based Securities

The following table discloses all compensation securities exercised by the director and Named Executive Officers of the Corporation and its subsidiaries during the financial year ended December 31, 2021.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Gordon P. Leask President, CEO and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Scott Davis CFO	Stock Options	50,000	\$0.25	Apr 22, 2021	\$0.29	\$0.04	\$2,000
John M. Leask Director	Stock Options	300,000	\$0.25	Mar 2, 2021	\$0.355	\$0.105	\$31,500
Megan Cameron-Jones Corporate Secretary and Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Bassam Moubarak Former Director	Stock Options	300,000	\$0.25	Jan 11, 2021	\$0.35	\$0.10	\$30,000
Peter Krag-Hansen Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Paul Reynolds Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

Stock Option Plans and other Incentive Plans

The Corporation currently has in place a “rolling” stock option plan (the “Plan”) pursuant to which the Corporation may grant stock options to directors, officers, employees and consultants of the Corporation and its subsidiaries at exercise prices to be determined by the market value of the Shares at the date of each grant of options. Any grant of options under the Plan is within the discretion of the board of directors of the Corporation (the “Board”), subject to the condition that the maximum number of Shares which may be issuable under the Plan shall not exceed 10% of the Corporation’s issued and outstanding Shares at the time of the grant. In addition, the number of Shares which may be issuable under the Plan within a one year period: (i) to any one individual shall not exceed 5% of the outstanding issued Shares; (ii) to insiders (as a group) shall not exceed 10% of the outstanding issued Shares, calculated at the date an Option is granted to any insider; and (iii) to a consultant or an employee performing investor relations activities, shall not exceed 2% of the outstanding issued Shares. Vesting of options is made at the discretion of the Board at the time the options are granted, with the exception of options granted in connection with investor relations. Options granted to consultants engaged in investor relations activities must vest no earlier than as to one-quarter upon the grant date and as to a further one-quarter after each of the following three four-month periods. The maximum term of an Option is ten years. The expiry date of an Option shall be the date fixed by the Board at the time the Option is awarded, provided that such date shall not be later than the tenth anniversary of the award date of the Option. The Board will

determine the price per Share and the number of Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the Options, subject to the rules of the TSXV, when such Options are granted. Options must be exercised within 30 days of termination of employment or cessation of the option holder's position with the Corporation, subject to the expiry date of such Option and certain other provisions of the Plan. The price per Share set by the Board (provided that the Shares are traded on an organized trading facility) shall not be less than the closing trading price of the Shares on the last day prior to the date on which such Option is granted, less the applicable discount permitted (if any) by such applicable exchange or market.

In the event that an option holder should die while he, she or they is still (i) a director or employee, (other than an employee performing investor relations activities) the expiry date of an option shall be 12 months from the date of death of the option holder; or (ii) a consultant, or an employee performing investor relations activities, the expiry date of an option shall be one month from the date of death of the option holder. In the event that an option holder holds his or her option as a director and such option holder ceases to be a director of the Corporation other than by reason of death, the expiry date of the option shall be the 90th day following the date the option holder ceases to be a director of the Corporation unless the option holder continues to be engaged by the Corporation as an employee or consultant, in which case the expiry date of an option shall remain unchanged. However, if an option holder ceases to be a director of the Corporation as a result of: (i) ceasing to meet the qualifications set forth in s.124 of the *Business Corporations Act* (British Columbia) (the "BCBCA"); or (ii) a special resolution having been passed by the shareholders of the Corporation pursuant to subsection 128(3) of the BCBCA, then the expiry date of the option shall be the date the option holder ceases to be a director of the Corporation. In the event that an option holder holds his or her option as an employee or consultant of the Corporation (other than an employee or consultant performing investor relations activities) and such option holder ceases to be an employee or consultant of the Corporation other than by reason of death, the expiry date of the option shall be the 30th day following the date the option holder ceases to be an employee or consultant of the Corporation unless the option holder ceases to be such as a result of: (i) termination for cause; or an order of the British Columbia Securities Commission, the TSX Venture Exchange (the "TSXV"), or any regulatory body having jurisdiction to so order, in which case the expiry date shall be the date the option holder ceases to be an employee or consultant of the Corporation. In the event that the option holder holds his or her option as an employee or consultant of the Corporation who provides investor relations activities on behalf of the Corporation, and such option holder ceases to be an employee or consultant of the Corporation other than by reason of death, the expiry date shall be the date the option holder ceases to be an employee or consultant of the Corporation.

In accordance with the policies of the TSXV, "rolling 10% stock option plans" must be approved annually at the annual meeting by the shareholders of the Corporation. The Plan was last approved by the shareholders at the Corporation's annual general and special meeting held on December 3, 2021. The shareholders of the Corporation will be asked at the Meeting to approve the adoption of a new rolling 10% stock option plan (the "2022 Option Plan") which will replace the Plan. See "*Matters to be Approved at the Meeting – Approval of the 2022 Option Plan*" for details of the approval of the 2022 Option Plan.

Employment, Consulting and Management Agreements

Eagle Putt MSA

The Corporation entered into a management services agreement dated March 1, 2014 (the "Eagle Putt MSA") with Eagle Putt, a private company controlled by Mr. Gordon P. Leask, pursuant to which Eagle Putt agreed to provide certain management consulting services to the Corporation and its subsidiaries through Mr. Gordon Leask as may be requested by and at the direction of the Board from time to time. The initial term of the Eagle Putt MSA expired on March 1, 2015 and automatically extends in increments of 24 months until terminated in accordance with the Eagle Putt MSA.

Pursuant to the Eagle Putt MSA, Eagle Putt receives base consulting fees of \$10,000 per month (the "Base Fee") and, after the initial grant of 575,000 incentive stock options to purchase an aggregate of up to 575,000 Shares which have been granted as at the date hereof, additional stock option grants as the Board may determine in its sole discretion. Eagle Putt is also eligible for an annual incentive fee, subject to the discretion of the Board, which may be payable in Shares at the discretion of the Board.

In the event that the Eagle Putt MSA is terminated by the Corporation for cause or due to a change in the designated representative from Mr. Gordon Leask, or is voluntarily terminated by Eagle Putt, the Corporation must pay Eagle Putt the Base Fee and the reimbursable expenses accrued until the date of termination (the "Accrued Obligations"). If

the Eagle Putt MSA is terminated by the Corporation without cause, the Corporation will pay Eagle Putt a termination fee equal to 15 months of the Base Fee plus the Accrued Obligations. In the event the Eagle Putt MSA is terminated by the Corporation or Eagle Putt within 60 days following a Takeover of Control (as defined in the Eagle Putt MSA) or by the Corporation within 12 months following a Takeover of Control for any reason other than those referred to above or for no reason at all, the Corporation will pay to Eagle Putt the Accrued Obligations, together with a termination fee equal to 24 months of the Base Fee plus an amount equal to all cash bonuses paid to Eagle Putt in the 24 months prior to the Takeover of Control.

Rangefront MSA

The Corporation entered into a management services agreement dated March 1, 2014 (the “Rangefront MSA”) with Rangefront, a private company controlled by Mr. John M. Leask, pursuant to which Rangefront agreed to provide certain management consulting services to the Corporation and its subsidiaries through Mr. John M. Leask as may be requested by and at the direction of the Board from time to time. The initial term of the Rangefront MSA expired on March 1, 2015 and automatically extends in increments of 24 months until terminated in accordance with the Rangefront MSA.

Pursuant to the Rangefront MSA, Rangefront receives base consulting fees of \$10,000 per month (the “Base Fee”) and, after the initial grant of 575,000 incentive stock options to purchase an aggregate of up to 575,000 Shares which have been granted as at the date hereof, additional stock option grants as the Board may determine in its sole discretion. Rangefront is also eligible for an annual incentive fee, subject to the discretion of the Board, which may be payable in Shares at the discretion of the Board.

In the event that the Rangefront MSA is terminated by the Corporation for cause or due to a change in the designated representative from Mr. John M. Leask, or is voluntarily terminated by Rangefront, the Corporation must pay Rangefront the Base Fee and the reimbursable expenses accrued until the date of termination (the “Accrued Obligations”). If the Rangefront MSA is terminated by the Corporation without cause, the Corporation will pay Rangefront a termination fee equal to 15 months of the Base Fee plus the Accrued Obligations. In the event the Rangefront MSA is terminated by the Corporation or Rangefront within 60 days following a Takeover of Control (as defined in the Rangefront MSA) or by the Corporation within 12 months following a Takeover of Control for any reason other than those referred to above or for no reason at all, the Corporation will pay to Rangefront the Accrued Obligations, together with a termination fee equal to 24 months of the Base Fee plus an amount equal to all cash bonuses paid to Rangefront in the 24 months prior to the Takeover of Control.

Oversight and Description of Director and Named Executive Officer Compensation

Named Executive Officer Compensation

The Board determines Named Executive Officer compensation at the time of the engagement of an NEO and, if applicable, at the time an NEO enters into a management services agreement with the Corporation. Compensation payable to an NEO is subsequently reviewed at the discretion of the Board from time to time. The objectives of the Corporation’s executive compensation policy are to attract and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation’s strategic objectives and to align the interests of executive officers with the long-term interests of the Corporation’s shareholders. The Corporation’s primary compensation policy is to pay for performance and, accordingly, the performance of the Corporation and its Named Executive Officers are both examined by the Board.

For the Corporation’s financial year ended December 31, 2021, the significant elements of compensation paid and awarded to each of the Named Executive Officers were management fees paid indirectly to Mr. Gordon P. Leask and accounting services fees paid indirectly to Mr. Scott Davis as well as stock options granted to Mr. Scott Davis pursuant to the Plan. See “*Statement of Executive Compensation – Table of Compensation Excluding Compensation Securities*” and “*Statement of Executive Compensation – Stock Options and Other Compensation Securities – Table of Compensation Securities*”.

The Corporation paid base compensation in the form of management fees to Mr. Gordon Leask that is competitive with that of comparable companies in the mineral exploration industry. The base compensation payable to Mr. Leask was determined at the time the Corporation entered into the Eagle Putt MSA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”. The base compensation was determined by

the Board by comparing the base compensation of Mr. Leask with that of executive officers of surveyed peer companies in the mineral exploration industry to ensure that the base compensation paid to Mr. Leask was consistent with the industry average for such position while attempting to adjust for the Corporation's size. The following companies comprised the peer companies surveyed by the Corporation: Nevada Exploration Inc., Ridgeline Minerals., Sonoro Metals Corp., NV Gold Corporation and NuLegacy Gold Corporation. The Board considered the peer companies to be relevant as the total assets, total level of capital expenditures, total operating and general and administrative expenses and number of employees of each of the peer companies was similar at that time to that of the Corporation. The Board has also used a lower base compensation for its senior management to take into account the equity positions of these individuals.

Director Compensation

The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors or for committee participation. No compensation was paid or is payable to any director of the Corporation for their respective services as a director during the financial year ended December 31, 2021. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Corporation may, from time to time, grant to its directors incentive stock options to purchase Shares. Directors are entitled to receive compensation from the Corporation to the extent that they provide other services to the Corporation and any such compensation is based on rates that would be charged by such directors for such services to arm's length parties. See "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*". The Corporation currently relies solely on Board discussion without any formal objectives, criteria and analysis to determine the number of incentive stock options, and the terms and conditions of such stock options, to be granted to the directors and officers of the Corporation in accordance with the policies of the TSXV and the Plan. The Board also takes into consideration the number and value of outstanding stock options already held by each option holder when determining stock option grants. See "*Statement of Executive Compensation – Table of Stock Options and other Compensation Securities*" for stock options granted to the directors of the Corporation during the financial year ended December 31, 2021.

Pension Benefits

Neither the Corporation nor any of its subsidiaries currently has a pension benefits arrangement under which the Corporation or any of its subsidiaries has made payments to the directors or Named Executive Officers of the Corporation during its financial year ended December 31, 2021 or intends to make payments to the Corporation's directors or Named Executive Officers upon their retirement (other than the payments made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding the number of securities authorized for issuance under the Plan as at the end of the Corporation's most recently completed financial year ended December 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽¹⁾
Stock Option Plan	3,085,000	\$0.34	1,075,898

(1) Based on 10% of the total number of Shares outstanding as at December 31, 2021 which may be granted as stock options under the terms of the Plan.

A summary of the material terms of the Plan is set out under "*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*". The shareholders of the Corporation will be asked at the Meeting to approve the adoption of the 2022 Option Plan which will replace the Plan. See "*Matters to be Approved at the Meeting – Approval of the 2022 Option Plan*" for details of the approval of the 2022 Option Plan.

INTEREST OF INFORMED PERSONS AND COMPANIES IN MATERIAL TRANSACTIONS

Except as set out below, to the knowledge of management of the Corporation, no informed person of the Corporation or nominee for election as a director of the Corporation, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's financial year ended December 31, 2021 or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

Monroe Property Agreement

On May 2, 2016, the Corporation entered into an option agreement (the "Option Agreement") with Eagle Putt to earn an undivided 50% interest in the 1,282 hectare Monroe property (the "Monroe Property") located in the Fort Steele Mining Division, southeast British Columbia. In order to exercise the option (the "Option"), the Corporation made a firm commitment to spend an initial \$100,000 in exploration expenditures on the Monroe Property in the first year (paid), followed by additional annual optional exploration expenditures totaling \$2.9 million by May 2, 2021 (the "Expenditure Date"). On April 9, 2021, the Expenditure Date was extended to May 2, 2022. On January 31, 2022, the Expenditure Date was extended to May 2, 2023. No other consideration is required to exercise the Option. The Corporation will be the operator on the Monroe Property during the course of the Option. Upon exercise of its Option to earn a 50% undivided interest in the Monroe Property, the Corporation and Eagle Putt will form a joint venture to further advance the exploration and development of the Monroe Property.

The Monroe Property is owned 50/50 by Gordon P. Leask, President, Chief Executive Officer, and a director of the Corporation, and John M. Leask, a director of the Corporation, and is held in trust for them by Eagle Putt, a private corporation owned by Gordon Leask. Given the non-arm's length nature of the transaction, the Corporation obtained approval to the grant of the Option by way of written resolution from a majority of the disinterested shareholders of the Corporation. Messrs. Gordon Leask and John M. Leask and their associates were excluded from voting on the shareholder resolution to approve the grant of the Option to the Corporation. The TSXV also approved the grant of the Option to the Corporation.

Loans Advanced by Informed Persons

During the year ended December 31, 2020, Rangefront, a private company controlled by Mr. John M. Leask, loaned the Corporation US\$116,752.50 with no interest payable. The loan was unsecured and repayable on June, 30 2022. In October of 2020, Eagle Putt, a private company controlled by Mr. Gordon P. Leask, loaned the Corporation US\$116,752.50 and loaned the Corporation an additional \$75,000 in November of 2021 with no interest payable. The loans were unsecured and repayable on June 30, 2022. During the financial year ended December 31, 2021, the repayment date of the aforementioned loans was extended to June 30, 2023.

Private Placement

On August 25, 2021, the TSXV approved the Corporation's non-brokered private placement of 2,644,836 units at a price of \$0.35 per unit. Each unit consisted of one common share and one-half of common share purchase warrant, of which one whole warrant entitles the holder to purchase one common share at an exercise price of \$0.45 for a period of two years from the date of issue. The following informed persons participated in the private placement upon terms and conditions identical to those upon which arm's length third parties participated:

Name of Informed Person	Units Purchased	Subscription Proceeds
Gordon P. Leask	142,850	\$50,000
Megan Cameron-Jones	85,715	\$30,000
John M. Leask	85,700	\$29,915

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since January 1, 2021, the beginning of the Corporation's last completed financial year, no current or former director, executive officer or employee of the Corporation, or of any of its subsidiaries, has been indebted to the Corporation or to any of its subsidiaries, nor has any of these individuals been 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 Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

Other than as described herein, management functions of the Corporation or any subsidiary of the Corporation are not, to any substantial degree, performed by a person other than the directors or executive officers of the Corporation or its subsidiaries. Management functions to the Corporation were provided under the following agreements during the financial year ended December 31, 2021.

Eagle Putt provides management consulting services to the Corporation and its subsidiaries pursuant to the Eagle Putt MSA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.

Rangefront provides management consulting services to the Corporation and its subsidiaries pursuant to the Rangefront MSA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.

AUDIT COMMITTEE

Pursuant to the provisions of applicable corporate and securities law, and the policies of the TSXV, the Corporation is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Corporation.

The Corporation must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“NI 52-110”), have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Corporation is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

Audit Committee’s Charter

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory *authorities* and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control systems and review the Corporation’s financial statements;
- review and appraise the performance of the Corporation’s external auditors; and
- provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board.

Independence

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation’s board of directors (the “Board”), reasonably interfere with the exercise of the member’s independent judgment.

Financial Literacy

NI 52-110 provides that an individual is “financially literate” if he, she or they 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 Corporation's financial statements.

Composition

The Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Committee's Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Corporation's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the CEO and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- (c) Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- (g) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.

- (j) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Composition of the Audit Committee

The following are the members of the Audit Committee:

Paul Reynolds (Chair)	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Peter Krag-Hansen ⁽²⁾	Independent ⁽¹⁾	Financially literate ⁽¹⁾
John M. Leask	Not Independent ⁽¹⁾⁽³⁾	Financially literate ⁽¹⁾

(1) As defined by NI 52-110.

(2) Mr. Krag-Hansen will not be standing for re-election at the Meeting. It is anticipated that Mr. Rees will be appointed to the Audit Committee following the Meeting. See “*Matters to be Approved at the Meeting – Election of Directors*”.

(3) John M. Leask has a “material relationship” with the Corporation and is therefore considered not independent under NI 52-110. See “*Statement of Corporate Governance Practices – Board of Directors*”.

Relevant Education and Experience

Paul Reynolds – Mr. Reynolds is a professional geoscientist with over 32 years’ experience working on exploration and mining projects in Canada, USA, Bolivia, Argentina and Guyana. He specializes in the conception and management of mineral exploration ventures. He has 20 years’ experience managing public companies as both a director and/or executive officer. Mr. Reynolds was formerly Chairman of Athlone Energy Ltd., which was sold to Daylight Energy Ltd. in September, 2008. He is currently a director of Eagle Plains Resources Ltd (TSX-V), Azincourt Energy Corp. (TSX-V) and West Oak Gold Corp. (CSE). Mr. Reynolds holds a B.Sc. degree in geology from the University of British Columbia (1987) and is a member of Engineers and Geoscientists British Columbia since 1992.

John M. Leask – Mr. Leask holds a Bachelor of Applied Science degree in Geological Engineering from the University of British Columbia and is a Professional Engineer. He has acted as a director, officer and audit committee member of junior public companies for a number of years.

Peter Krag-Hansen – Mr. Krag-Hansen was a Senior Vice-President and Director of Trading at Canaccord Capital Corp. from 1980 to 2003. He has extensive experience with venture companies.

In addition to each member’s general business experience, each of the Audit Committee members has the ability to read and understand financial statements and held director and/or officer positions with other reporting issuers in the mineral exploration and mining sector where he has been actively involved in financing and fundraising activities.

Each of the Corporation’s Audit Committee members has been a director or officer of several public companies in the natural resource sector and as a director has been responsible for approving financial statements. See “*Other Directorships*” below.

In accordance with National Instrument 52-110 *Audit Committees* (“NI 52-110”), the Corporation has a written charter, which sets out the duties and responsibilities of its audit committee.

Audit Committee Oversight

At no time since the commencement of the Corporation’s most recent completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s financial year ended December 31, 2021 has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “Audit Committee’s Charter – Responsibilities and Duties – External Auditors”.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2021	\$20,000	Nil	Nil	Nil
December 31, 2020	\$15,000	Nil	Nil	Nil

(1) Includes services for the annual audit of the Corporation’s financial statements.

(2) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.

(3) Fees charged for tax compliance services.

(4) Fees for services other than disclosed in any other column.

Exemption in Section 6.1

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines adopted in National Policy 58-201 - *Corporate Governance Guidelines* (“NP 58-201”). These guidelines are not prescriptive. Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interests of its shareholders and contribute to effective and efficient decision making. The Board is of the view that the Corporation’s general approach to corporate governance, summarized below, is appropriate and substantially consistent with the objectives reflected in NP 58-201.

Board of Directors

The Board is currently composed of five directors, Mr. Gordon P. Leask, who is also the President and CEO of the Corporation, Mr. John M. Leask, Ms. Megan Cameron-Jones, who is also the Corporate Secretary, Mr. Paul Reynolds, and Mr. Peter Krag-Hansen. Mr. Peter Krag-Hansen will not be standing for re-election at the Meeting, and Mr. Edwin Rees will be standing for election as a director at the Meeting.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors (as defined in NI 52-110). Of the proposed nominees, each of Edwin Rees, Paul Reynolds and Megan Cameron-Jones is independent; whereas Gordon P. Leask is considered not

independent by virtue of him being CEO and John M. Leask is considered not independent as he invoiced, through a private company controlled by him, consulting fees of \$120,000 from the Corporation during the financial year ended December 31, 2021. See “*Statement of Executive Compensation – Table of Compensation Excluding Compensation Securities*”. Peter Krag-Hansen is independent.

Nomination and Assessment

The Board determines new nominees to the Board, although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. Nominees are interviewed by the Board and are asked to join the Board where consensus regarding the nominee is obtained.

Neither the Corporation nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. 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.

Compensation

The Corporation does not have a compensation committee. The compensation of the directors and the CEO is considered by the Board. The directors currently do not receive any remuneration for their acting in such capacity other than the potential grant of incentive stock options to the directors.

Other Board Committees

At the present time, the only standing committee is the Audit Committee. As the Corporation grows, and its operations and management structure become more complex, the Board expects it may constitute additional formal standing committees, such as a Corporate Governance Committee, a Compensation Committee and a Nominating Committee, and will ensure that any such committees are governed by written charters and, where possible, are composed of at least a majority of independent directors.

Other Directorships

The current and proposed directors of the Corporation are also currently directors of the following other reporting issuers:

<u>Director</u>	<u>Reporting Issuer</u>	<u>Exchange</u>
John M. Leask	Regulus Resources Inc.	TSX Venture
Paul Reynolds	Eagle Plains Resources Ltd. Azincourt Energy Corp. West Oak Gold Corp.	TSX Venture TSX Venture Canadian Securities
Peter Krag-Hansen	Fjordland Exploration Inc. Consolidated Woodjam Copper Corp.	TSX Venture TSX Venture

Orientation and Continuing Education

New directors are briefed on the Corporation’s current property holdings, ongoing exploration programs, overall strategic plans, short, medium and long term corporate objectives, financials status, general business risks and mitigation strategies, and existing company policies. There is no formal orientation for new members of the Board. This is considered to be appropriate, given the Corporation’s size and current level of operations, the ongoing interaction amongst the directors and the low director turn-over. However, if the growth of the Corporation’s operations warrants it, it is possible that a formal orientation process would be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management’s assistance. The directors are advised that, if a director believes that it would be appropriate to attend any continuing education event for corporate directors, the Corporation will pay for the cost thereof. Board members have full access to the Corporation’s records. Reference is made to the table under the heading “Election of Directors” for a description of the current principal occupations of the members of the Board.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct. The Board promotes ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest. In the event of a conflict of interest at a meeting of the Board, the conflicted director will disclose the nature and extent of his or her interest and abstain from voting on or against the approval of such participation.

MATTERS TO BE APPROVED AT THE MEETING

A. Election of Directors

The Board currently consists of five directors and it is intended to determine the number of directors at five and to elect five directors for the ensuing year. Mr. Peter Krag-Hansen will not be standing for re-election at the Meeting, and Mr. Edwin Rees will be seeking election as a director at the Meeting. The Board proposes to nominate the persons named in the table below for election as directors of the Corporation. Each director elected will hold office until the next annual general meeting of the Corporation or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Corporation or the BCBCA or he, she or they become disqualified to act as a director.

Pursuant to the Advance Notice Policy adopted by the Board on September 19, 2013, which was approved by shareholders at the annual and special meeting of shareholders of the Corporation held on December 6, 2013 and is filed on SEDAR under the Corporation’s profile at www.sedar.com, any additional director nominations for the Meeting must have been received by the Corporation in compliance with the Advance Notice Policy on or before the close of business on October 7, 2022. No additional director nominations were received by the Corporation.

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 the persons to be nominated for election as directors, the place in which each is ordinarily resident, the positions and offices which they presently hold with the Corporation, the period of time during which each has been a director of the Corporation, their respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of Shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province or State and Country of Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation	Number of Shares⁽¹⁾
Gordon P. Leask British Columbia, Canada <i>President, CEO, and Director</i>	February 5, 2008	Professional Geological Engineer. Former Director of Regulus Resources Inc. (TSXV) from 2012 to 2019. President and owner of Eagle Putt, a private company, since 1991.	5,978,757 ⁽²⁾
Megan Cameron-Jones British Columbia, Canada <i>Corporate Secretary and Director</i>	June 2, 2008	Corporate Secretary of Regulus Resources Inc. (TSXV) since 2010. Corporate Secretary of Aldebaran Resources Inc. since 2018.	1,108,492

Name, Province or State and Country of Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation	Number of Shares ⁽¹⁾
John M. Leask ⁽³⁾ British Columbia, Canada <i>Director</i>	June 17, 2008	Professional Geological Engineer. Director of Regulus Resources Inc. (TSXV) since 2012. President and owner of Rangefront Exploration Corp., a private company, since 1991.	4,361,330 ⁽⁴⁾
Paul S. Reynolds ⁽³⁾ British Columbia, Canada <i>Director</i>	December 30, 2020	CEO of Azincourt Energy Corp. (TSXV) from 2015 to 2017 and thereafter remained as a director. President of Westview Consulting Ltd., a private consulting firm, since 2008.	10,500
Edwin Rees Alberta, Canada <i>Standing for election as Director</i>	N/A	Businessman, 40 years of experience as an estimator and project manager in the mining sector.	Nil

- (1) Information as to voting Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.
- (2) Gordon P. Leask beneficially owns, or exercises control or direction over, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Corporation. See “*Voting Securities and Principal Holders Thereof*”.
- (3) Member of the Corporation’s Audit Committee. It is anticipated that Mr. Rees will be appointed to the Corporation’s Audit Committee following the Meeting.
- (4) John M. Leask beneficially owns, or exercises control or direction over, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Corporation. See “*Voting Securities and Principal Holders Thereof*”.

Shareholders can vote for all of the proposed nominees, vote for some of the proposed nominees and withhold for others, or withhold votes for all of the proposed nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Corporation.**

No proposed director of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any corporation (including the Corporation), that:

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

No proposed director of the Corporation:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any corporation (including the Corporation) 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; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

During the ten years preceding the date of this Information Circular, no proposed director has 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 that person.

B. Appointment of Auditor

The persons named in the accompanying instrument of proxy intend to vote for the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, of Suite 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6 as auditor of the Corporation for the ensuing year, until the close of the next annual general meeting at a remuneration to be fixed by the directors.

C. Approval of the 2022 Option Plan

At the Meeting, shareholders of the Corporation will be asked to approve the adoption of the 2022 Option Plan, a new 10% rolling incentive stock option plan. The 2022 Option Plan was approved by the Board on October 21, 2022 and has been conditionally accepted by the TSXV. The 2022 Option Plan shall become effective upon the receipt of approval of the Shareholders and the final acceptance of the TSXV (the “**Effective Date**”) and will replace the Plan. All of the stock options (the “**Outstanding Options**”) currently outstanding under the Plan (the “Outstanding Options”), of which there are 3,085,000 as at the date of this Information Circular, will remain outstanding and in full force and effect in accordance with their terms after the Effective Date. However, following the Effective Date, no additional grants shall be made pursuant to the Plan, and the Plan will terminate on the date upon which no Outstanding Options remain outstanding.

The purpose of the 2022 Option Plan is to, among other things: (i) provide the Corporation with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted stock options (each, an “**Option**”) under the 2022 Option Plan for their contributions toward the long-term goals and success of the Corporation; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Shares of the Corporation as long-term investments and proprietary interests in the Corporation. The approval of the 2022 Option Plan by the Board is subject to approval by the Shareholders and to the final acceptance of the TSXV.

A summary of certain provisions of the 2022 Option Plan is set out below, and a full copy of the 2022 Option Plan is attached hereto as Schedule “A”. This summary is qualified in its entirety to the full copy of the 2022 Option Plan.

Summary of the 2022 Option Plan

Eligibility

The 2022 Option Plan allows the Corporation to grant Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Corporation and its subsidiaries (collectively, the “**Plan Participants**”).

Number of Shares Issuable

The aggregate number of Common Shares that may be issued to Plan Participants under the 2022 Option Plan will be that number of Shares equal to 10% of the issued and outstanding Shares on the particular date of grant of the Option, inclusive of the Outstanding Options.

Limits on Participation

The 2022 Option Plan provides for the following limits on grants, for so long as the Corporation is subject to the requirements of the TSXV, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSXV:

- (i) the maximum number of Shares that may be issued to any one Plan Participant (and where permitted pursuant to the policies of the TSXV, any company that is wholly-owned by the Plan Participant) under the 2022 Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the date of grant;
- (ii) the maximum number of Shares that may be issued to insiders collectively under the 2022 Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant; and
- (iii) the maximum number of Shares that may be issued to insiders collectively under the 2022 Option Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Shares at any time.

For so long as such limitation is required by the TSXV, the maximum number of Options which may be granted within any 12-month period to Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Shares, and such Options must vest in stages over 12 months with no more than 25% vesting in any three month period. In addition, the maximum number of Shares that may be granted to any one consultant under the 2022 Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the date of grant.

Administration

The plan administrator of the 2022 Option Plan (the “**Plan Administrator**”) will be the Board or a committee of the Board, if delegated. The Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Options under the 2022 Option Plan; determine conditions under which Options may be granted, vested or exercised, including the expiry date, exercise price and vesting schedule of the Options; establish the form of option certificate (“**Option Certificate**”); interpret the 2022 Option Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2022 Option Plan.

Subject to any required regulatory or shareholder approvals, the Plan Administrator may also, from time to time, without notice to or without approval of the Shareholders or the Plan Participants, amend, modify, change, suspend or terminate the Options granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the 2022 Option Plan or any Option granted pursuant thereto may materially impair any rights of a Plan Participant or materially increase any obligations of a Plan Participant under the 2022 Option Plan without the consent of such Plan Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the 2022 Option Plan.

All of the Options are subject to the conditions, limitations, restrictions, vesting, exercise and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the 2022 Option Plan, and will be evidenced by an Option Certificate. In addition, subject to the limitations provided in the 2022 Option Plan and in accordance with applicable law, the Plan Administrator may accelerate the vesting of Options, cancel or modify outstanding Options and waive any condition imposed with respect to Options or Shares issued pursuant to Options.

Exercise of Options

Options shall be exercisable as determined by the Plan Administrator at the time of grant, provided that no Option shall have a term exceeding 10 years so long as the Shares are listed on the TSXV.

Subject to all applicable regulatory rules, the vesting schedule for an Option, if any, shall be determined by the Plan Administrator. The Plan Administrator may elect, at any time, to accelerate the vesting schedule of an Option, and such acceleration will not be considered an amendment to such Option and will not require the consent of the Plan Participant in question. However, no acceleration to the vesting schedule of an Option granted to a Plan Participant performing investor relations services may be made without prior acceptance of the TSXV.

The exercise price of an Option shall be determined by the Plan Administrator and cannot be lower than the greater of: (i) the minimum price required by the TSXV; and (ii) the market value of the Shares on the applicable grant date.

A Plan Participant may exercise the Options in whole or in part through any one of the following forms of consideration, subject to applicable laws, prior to the expiry date of such Options, as determined by the Plan Administrator:

- the Plan Participant may send a wire transfer, certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate exercise price of the Shares being purchased pursuant to the exercise of the Options;
- subject to approval from the Plan Administrator and the Shares being traded on the TSXV, a brokerage firm may be engaged to loan money to the Plan Participant in order for the Plan Participant to exercise the Options to acquire the Shares, subsequent to which the brokerage firm shall sell a sufficient number of Shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of Shares from the exercise of the Options, and the Plan Participant shall receive the balance of the Shares or cash proceeds from the balance of such Shares; and
- subject to approval from the Plan Administrator and the Shares being traded on the TSXV, consideration may be paid by reducing the number of Shares otherwise issuable under the Options, in lieu of a cash payment to the Corporation, a Plan Participant, excluding those providing investor relations services, only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the Shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the Shares. The number of Shares delivered to the Plan Participant may be further reduced to satisfy applicable tax withholding obligations. The number of Options exercised, surrendered or converted, and not the number of Shares issued by the Issuer, must be included in calculating the number of Shares issuable under the 2022 Option Plan and the limits on participation.

If an exercise date for an Option occurs during a trading black-out period imposed by the Corporation to restrict trades in its securities, then, notwithstanding any other provision of the 2022 Option Plan, the Option shall be exercised no more than ten business days after the trading black-out period is lifted by the Corporation, subject to certain exceptions.

Termination of Employment or Services and Change in Control

The following describes the impact of certain events that may, unless otherwise determined by the Plan Administrator or as set forth in an Option Certificate, lead to the early expiry of Options granted under the 2022 Option Plan.

Termination by the Corporation for cause:

Forfeiture of all unvested Options. The Plan Administrator may determine that all vested Options shall be forfeited, failing which all vested Options shall be exercised in accordance with the 2022 Option Plan.

Voluntary resignation of a Plan Participant:

Forfeiture of all unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.

Termination by the Corporation other than for cause:	Acceleration of vesting of a portion of unvested Options in accordance with a prescribed formula as set out in the 2022 Option Plan. ¹ Forfeiture of the remaining unvested Options. Exercise of vested Options in accordance with the 2022 Option Plan.
Death or disability of a Plan Participant:	Acceleration of vesting of all unvested Options. ¹ Exercise of vested Options in accordance with the 2022 Option Plan.
Termination or voluntary resignation for good reason within 12 months of a change in control:	Acceleration of vesting of all unvested Options. ¹ Exercise of vested Options in accordance with the 2022 Option Plan.

Notes: (1) Any acceleration of vesting of unvested Options granted to an investor relations service provider is subject to the prior written approval of the TSXV.

Any Options granted to a Plan Participant under the 2022 Option Plan shall terminate at a date no later than 12 months from the date such Plan Participant ceases to be a Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Corporation, a material alteration of the capital structure of the Corporation and a disposition of substantially all of the Corporation's assets, the Plan Administrator may, without the consent of the Plan Participant, cause all or a portion of the Options granted to terminate upon the occurrence of such event.

Amendment or Termination of the 2022 Option Plan

Subject to any necessary regulatory approvals, the 2022 Option Plan may be suspended or terminated at any time by the Plan Administrator, provided that no such suspension or termination shall alter or impact any rights or obligations under an Option previously granted without the consent of the Plan Participant.

The following limitations apply to the 2022 Option Plan and all Options thereunder as long as such limitations are required by the TSXV:

- any adjustment to Options, other than in connection with a security consolidation or security split, is subject to prior TSXV acceptance and the issuance of a news release by the Corporation outlining the terms thereof;
- any amendment to the 2022 Option Plan is subject to prior TSXV acceptance, except for amendments to reduce the number of Shares issuable under the 2022 Option Plan, to increase the exercise price of Options or to cancel Options;
- any amendments made to the 2022 Option Plan shall require regulatory and Shareholder approval and the issuance of a news release by the Corporation outlining the terms thereof, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the 2022 Option Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- the exercise price of an Option previously granted to an insider must not be reduced, or the extension of the expiry date of an Option held by an insider may not be extended, unless the Corporation has obtained disinterested shareholder approval to do so in accordance with TSXV policies.

Subject to the foregoing limitations and any necessary regulatory approvals, the Plan Administrator may amend any existing Options or the 2022 Option Plan or the terms and conditions of any Option granted thereafter, although the Plan Administrator must obtain written consent of the Plan Participant (unless otherwise excepted out by a provision of the 2022 Option Plan) where such amendment would materially decrease the rights or benefits accruing to a Plan Participant or materially increase the obligations of a Plan Participant.

Corporation 2022 Option Plan Resolution

At the Meeting, the Shareholders of the Corporation will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to approve the 2022 Option Plan, which resolution requires approval of greater than 50% of the votes cast by the Shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) subject to final acceptance of the TSX Venture Exchange (the “**TSXV**”), the new stock option plan (the “**2022 Option Plan**”) of Highway 50 Gold Corp. (the “**Corporation**”), substantially in the form attached as Schedule “A” to the management information circular of the Corporation dated October 21, 2022, is hereby approved;
- (b) the directors of the Corporation or any committee of the board of directors of the Corporation are hereby authorized to grant stock options (each, an “**Option**”) pursuant to the 2022 Option Plan to those eligible to receive Options thereunder;
- (c) any one director or officer of the Corporation is hereby authorized to execute and deliver on behalf of the Corporation all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Corporation, the adoption of the proposed 2022 Option Plan is conditional upon receipt of final approval of the TSXV, and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable to the directors.”

Recommendation of the Board

The Board has determined that the 2022 Option Plan is in the best interests of the Corporation and the Shareholders and unanimously recommends that the Shareholders vote in favour of approving the 2022 Option Plan. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the 2022 Option Plan or not to proceed with the 2022 Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Corporation and the Shareholders and to do so in light of any subsequent event or development occurring after the date of the Information Circular.

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Shares represented by the instrument of proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at www.sedar.com. Financial information relating to Highway 50 Gold Corp. is provided in the Corporation's consolidated financial statements and management discussion and analysis ("MD&A") for the financial year ended December 31, 2021. A copy of these financial statements and MD&A have also been mailed out to those shareholders who returned the Corporation's Financial Statement Request Form provided with the Corporation's 2022 annual general meeting material, in accordance with National Instrument 51-102 "Continuous Disclosure Obligations". Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) email to info@highway50gold.com; or (ii) mail to 200 Granville Street, Suite 2710, Vancouver, British Columbia V6C 1S4.

DATED at Vancouver, British Columbia the 21st day of October, 2022.

BY ORDER OF THE BOARD

"Gordon P. Leask"

CEO, President and Director

SCHEDULE "A"

2022 Option Plan

See attached.

HIGHWAY 50 GOLD CORP.

STOCK OPTION PLAN

Effective Date: [●], 2022

Approved by the Board of
Directors on October 21, 2022.

Approved by the
Shareholders on [●], 2022.

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STOCK OPTION PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants of the Corporation and its Subsidiaries, to reward such of those Executives, Employees and Consultants as may be granted Options under the Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Executives, Employees and Consultants to acquire Shares as long term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings:

“**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental, regulatory authority, securities commission and stock exchange having authority over the Corporation or the Plan;

“**Black-Out**” means a restriction formally imposed by the Corporation, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Options;

“**Board**” means the board of directors of the Corporation;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;

“**Cause**” means:

- (a) unless the applicable Option Certificate states otherwise, with respect to any Employee, Officer or Consultant:
 - (i) if such Employee, Officer or Consultant is a party to an employment or service agreement with the Corporation or any of its Subsidiaries and such agreement provides for a definition of Cause, the definition contained therein; or
 - (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the employment or service agreement of such Employee, Officer or Consultant, without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (A) the failure of the Employee, Officer or Consultant to carry out its duties properly or to comply with the rules, policies and practices of the Corporation or any of its Subsidiaries, as applicable;

(B) a material breach of any agreement with the Corporation or any of its Subsidiaries, as applicable, or a material violation of any written policy of the Corporation or any of its Subsidiaries, as applicable; (C) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (D) a material fiduciary breach with respect to the Corporation or any of its Subsidiaries, as applicable; (E) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Subsidiaries; or (F) gross negligence or willful misconduct with respect to the Corporation or any of its Subsidiaries; and

- (b) with respect to any Director, the removal of a Director before the expiration of his or her term of office by any method permitted by the Corporation's Articles;

"Change of Business" has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

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

- (a) the direct or indirect acquisition or conversion from time to time of more than 50% of the issued and outstanding Shares, in aggregate, by a Person or group of Persons acting in concert, other than through an employee share purchase plan or employee share ownership plan;
- (b) a change in the composition of the Board which results in the majority of the directors of the Corporation not being individuals nominated by the Corporation's then incumbent directors; or
- (c) a merger, amalgamation, arrangement or reorganization of the Corporation with one or more corporations as a result of which, immediately following such event, the shareholders of the Corporation as a group, as they were immediately prior to such event, hold less than a majority of the outstanding Voting Shares of the surviving corporation;

"Committee" has the meaning set forth in Section 3.2;

"Company" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"Consultant" means:

- (a) a Person (other than an Executive or Employee) that:
- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its Subsidiaries, other than services provided in relation to a distribution of securities (as defined under Applicable Laws);
- (ii) provides the services under a written contract between the Corporation or any of its Subsidiaries and the individual or the Company, as the case may be; and

- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its Subsidiaries, or
- (b) an individual (other than a Director, Officer or Employee) employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;

“**Corporate Policies**” means any of the policies of the Corporation;

“**Corporation**” means Highway 50 Gold Corp.;

“**Date of Grant**” means, for any Option, the date specified by the Plan Administrator at the time it grants the Option (which, for greater certainty, shall be no earlier than the date on which the Board meets or otherwise acts for the purpose of granting such Option) or if no such date is specified, the date upon which the Option was granted;

“**Director**” means a director (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Disabled**” or “**Disability**” means a physical injury or mental incapacity of a nature which the Plan Administrator determines prevents or would prevent the Participant from satisfactorily performing the substantial and material duties of his or her position with the Corporation or any of its Subsidiaries;

“**Effective Date**” means the date the Plan becomes effective, which shall be upon receipt of all shareholder and regulatory approvals;

“**Employee**” means an individual who:

- (a) is considered an employee of the Corporation or any of its Subsidiaries under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
- (b) works full-time for the Corporation or any of its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its Subsidiaries over the details and methods of work as an employee of the Corporation or of a Subsidiary of the Corporation, as the case may be, but for whom income tax deductions are not made at source; or
- (c) works for the Corporation or any of its Subsidiaries 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 any of its Subsidiaries over the details and methods of work as an employee of the Corporation or any of its Subsidiaries;

“**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out in the Option Certificate (or in such other form as may be approved by the Plan Administrator, duly executed by the Participant);

“**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided,

however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained;

“**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with Section 4.5;

“**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with Sections 4.10, 5.1, 7.2, or Article 6;

“**Expiry Time**” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date;

“**Exchange**” means the TSXV and any other exchange on which the Shares are or may be listed from time to time;

“**Executive**” means an individual who is a Director or Officer;

“**Good Reason**” means any one or more of the following events occurring following a Change in Control and without the Participant’s written consent:

- (a) the Participant is placed in a position of lesser stature than its current position and, is assigned duties that would result in a material change in the nature or scope of powers, authority, functions or duties inherent in such a position immediately prior to the Change in Control;
- (b) a material decrease in the Participant’s base salary or a material decrease in the Participant’s short-term incentive grants, long-term incentive grants, benefits, vacation or other compensation;
- (c) a requirement that the Participant relocate to a location greater than 40 kilometers from the Participant’s primary work location immediately prior to the Change in Control; or
- (d) any action or event that would constitute constructive dismissal of the Participant at common law;

“**Insider**” means:

- (a) a Director or senior officer of the Corporation;
- (b) a Director or senior officer of a Company that is an Insider or a Subsidiary of the Corporation;
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares of the Corporation carrying more than 10% of the voting rights attached to the Voting Shares of the Corporation; or
- (d) the Corporation itself if it holds any of its own securities;

“**Investor Relations Service Providers**” has the meaning attributed thereto in Policy 4.4;

“**Market Price**” means the market value of the Shares as determined in accordance with Section 4.5;

“**Officer**” means an officer (as defined under Securities Laws) of the Corporation or of any of its Subsidiaries;

“**Option**” means an incentive share purchase option granted pursuant to the Plan entitling a Participant to purchase Shares of the Corporation;

“**Option Certificate**” means a certificate issued by the Corporation in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Option has been granted under the Plan and which need not be identical to any other such certificates;

“**Outstanding Options**” has the meaning ascribed to it in Section 3.7;

“**Participant**” means an Executive, Employee or Consultant to whom an Option has been granted under the Plan;

“**Person**” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“**Personal Representative**” means: (i) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of a Participant who, for any reason, is unable to manage his or her affairs, the Person entitled by law to act on behalf of such Participant;

“**Plan**” means this Option Plan, as may be amended from time to time;

“**Plan Administrator**” means the Board, or if the administration of the Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**Policy 4.4**” means in Policy 4.4 – *Security Based Compensation*, as amended from time to time, of the TSXV Manual;

“**Prior Plan**” means the Corporation’s prior stock option plan;

“**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of the Plan or for the Options granted from time to time hereunder;

“**Regulatory Authorities**” means all Exchanges and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation, the Plan or the Options granted from time to time hereunder;

“**Reorganization**” has the meaning attributed thereto in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*, as amended from time to time, of the TSXV Manual;

“**Reverse Takeover**” has the meaning attributed thereto in Policy 5.2 – *Change of Business and Reverse Takeovers*, as amended from time to time, of the TSXV Manual;

“**Securities Act**” means the *Securities Act* (British Columbia, RSBC 1996, c. 418 as from time to time amended);

“Security Based Compensation Arrangement” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan where the Corporation 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 Corporation’s treasury to Executives, Employees or Consultants, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation’s treasury or arrangements under which compensation arrangements are settled solely in cash and/or securities purchased on the secondary market;

“Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to a Company;

“Share” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or after an adjustment contemplated by Article 7, such other shares or securities to which the holder of an Option may be entitled as a result of such adjustment;

“Shareholder Approval” means approval by the Corporation’s shareholders in accordance with the policies of the Exchange;

“Subsidiary” has the meaning attributed thereto in the Securities Act;

“Tax Act” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“Termination Date” means (i) the date designated by the Participant and the Corporation or a Subsidiary of the Corporation in a written employment agreement, or other written agreement between the Participant and Corporation or a Subsidiary of the Corporation, or (ii) if no written agreement exists, the date designated by the Corporation or a Subsidiary of the Corporation, as the case may be, on which a Participant ceases to be an employee of the Corporation or a Subsidiary of the Corporation or ceases to provide services to the Corporation or a Subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment or termination of services by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not mean the date of termination of any period of reasonable notice that the Corporation or a Subsidiary of the Corporation, as applicable, may be required by law to provide to the Participant;

“Triggering Event” means:

- (a) the proposed dissolution, liquidation or wind-up of the Corporation;
- (b) a proposed Change in Control;
- (c) the proposed sale or other disposition of all or substantially all of the assets of the Corporation; or
- (d) a proposed material alteration of the capital structure of the Corporation which, in the opinion of the Plan Administrator, is of such a nature that it is not practical or feasible to make adjustments to the Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect;

“TSXV” means the TSX Venture Exchange;

“**TSXV Manual**” means the TSXV Corporate Finance Manual;

“**Vested**” means a portion of the Option granted to the Participant which is available to be exercised by such Participant at any time and from time to time;

“**Voting Share**” means a security of a Company that:

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing; and

“**VWAP**” means the volume-weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the TSXV may exclude internal crosses and certain other special terms trades from the calculation.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of the Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section” and “clause” mean and refer to the specified Article, Section and clause of the Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to and consistent with the terms of the Plan, Applicable Laws and the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Plan will be administered by the Plan Administrator, and the Plan Administrator has sole and complete authority, in its discretion, without limitation, to:

- (a) determine the Persons who are eligible to be Participants in accordance with Section 3.4;

- (b) make grants of Options under the Plan relating to the issuance of Shares in such amounts, to such Participants and, subject to the provisions of the Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Options may be granted, including the applicable Date of Grant
 - (ii) the conditions under which an Option or any portion thereof may be granted to a Participant including, without limitation, the Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option):
 - (iii) the consequences of a termination with respect to an Option;
 - (iv) the number of Shares subject to each Option;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Option, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Option, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of the Option Certificate and Exercise Notice;
- (d) amend the terms of any Option, subject to and in accordance with the terms and conditions of the Plan;
- (e) cancel, amend, adjust or otherwise change any Option under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Plan, including but not limited to:
 - (i) allowing non-Vested Options to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or Disability;
 - (ii) providing that the Options with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) providing for the continuation of any Option for such period which is not longer than 12 months from the Termination Date or 12 months from the date of death or Disability of the Participant, and upon such terms and conditions as are determined by the Plan Administrator in the event that a Participant ceases to be an Executive, Employee or Consultant, as the case may be;
 - (iv) providing that Vested Options may be exercised for periods longer or different from those set forth in the Plan, subject to the applicable rules of the Exchange; and
 - (v) setting any other terms for the exercise or termination of an Option upon termination of employment or service;

- (f) construe and interpret the Plan and all Option Certificates;
- (g) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Price of the Shares;
- (h) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (i) determine whether, to what extent, and under what circumstances an Option may be exercised in cash, through a cashless exercise or through net exercise pursuant to Section 4.8;
- (j) determine the duration and purposes of leaves of absence from employment or engagement by the Corporation which may be granted to Participants without constituting a termination of employment or engagement for purposes of the Plan;
- (k) authorize Persons to execute such documents and instruments as may be necessary to carry out the purposes of the Plan and grants of Options from time to time hereunder;
- (l) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan; and
- (m) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan.

3.2 **Delegation to Committee**

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by Applicable Law, the Board may, from time to time, delegate to a committee of the Corporation (the “**Committee**”), consisting of not less than two of its members, all or any of the powers conferred on the Plan Administrator pursuant to the Plan, including the power to sub-delegate to any specified Directors or Officers all or any of the powers delegated by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.
- (c) In the event the Board delegates to the Committee all or any of the powers conferred on the Plan Administrator pursuant to the Plan, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive and binding on the Corporation and all affiliates of the Corporation, all Participants and all other Persons.

3.3 **Determinations Binding**

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration interpretation

of the Plan is final, conclusive and binding on all affected Persons, including the Corporation and any of its Subsidiaries, the affected Participants and their Personal Representatives, any shareholder of the Corporation and all other Persons.

3.4 Eligibility

Subject to the discretion of the Plan Administrator, all Executives, Employees and Consultants are eligible to participate in the Plan. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Executive, Employee or Consultant any right to receive any grant of an Option pursuant to the Plan. In addition, in order to be eligible to receive Options, in the case of Employees and Consultants, the Option Certificate to which they are a party must contain a representation of the Corporation and of such Employee or Consultant, as the case may be, that such Employee or Consultant is a bona fide Employee or Consultant of the Corporation or a Subsidiary of the Corporation, as the case may be. Options may be granted to a Company that is wholly-owned by an individual Executive, Employee or Consultant.

For clarity, Investor Relations Service Providers may not be granted any other Security Based Compensation Arrangements except for Options under the Plan.

3.5 Board Requirements

Any Option granted under the Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Option upon any securities exchange or under any Applicable Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Shares thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Liability Limitation and Indemnification

No member of the Board or the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Option Certificate or any Option granted hereunder.

3.7 Total Shares Subject to Options

Subject to adjustment pursuant to Article 7, the number of Shares hereby reserved for issuance to Participants under the Plan shall not exceed 10% of the number of Shares which are issued and outstanding on the particular date of grant of Options. There are stock options (the “**Outstanding Options**”) outstanding on the date hereof which were granted under the Prior Plan, which will remain in full force and effect in accordance with their terms. The number of Shares issuable upon exercise of the Outstanding Options shall be included in the calculation of the maximum number of Shares issuable pursuant to Options. Any Shares subject to an Option which has been granted under the Plan and which has been cancelled, terminated, surrendered, forfeited or expired without having been exercised as provided for in the Plan shall again be available under the Plan.

3.8 Limits on Options

Notwithstanding anything in the Plan, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) unless disinterested Shareholder Approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV):
 - (i) the maximum number of Shares that may be issued to any one Participant (and where permitted pursuant to the policies of the TSXV, any Company that is wholly-owned by the Participant) under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Date of Grant;
 - (ii) the maximum number of Shares that are issuable pursuant to all the Corporation's Security Based Compensation Arrangements granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the issued Shares, calculated as at the date any security based compensation of the Corporation is granted or issued to any Insider; and
 - (iii) the maximum number of Shares that are issuable pursuant to all the Corporation's Security Based Compensation Arrangements granted or issued to Insiders (as a group) must not exceed 10% of the issued Shares at any point in time;
- (b) the maximum number of Shares that may be issued to any one Consultant under the Plan, together with all of the Corporation's other Security Based Compensation Arrangements, within a 12-month period, may not exceed 2% of the issued Shares calculated on the Date of Grant;
- (c) the maximum number of Shares issuable pursuant to Options which may be granted within any 12-month period to Investor Relations Service Providers (as a group) must not exceed 2% of the issued Shares calculated on the Date of Grant;
- (d) Options granted to Investor Relations Service Providers must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period; and
- (e) any Options granted to a Participant who ceases to be a Participant under the Plan for any reason whatsoever shall terminate at a date no later than 12 months from the date such Participant ceases to be a Participant under the Plan.

3.9 Option Certificates

Each Option under the Plan will be evidenced by an Option Certificate. Each Option Certificate will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan and any other provisions that the Plan Administrator may direct.

3.10 Non-transferability of Options

Except to the extent that certain rights may pass to a beneficiary or Personal Representative upon death of a Participant by will or as required by law, no Option is assignable or transferable.

3.11 Resale Restrictions

Any Shares issued by the Corporation upon exercise or settlement of an Option are subject to any resale and trading restrictions in effect pursuant to Applicable Laws and the policies of the Exchange, and the Corporation shall be entitled to place any restriction or legend on any certificates representing such Shares accordingly. Any Option Certificate will bear the following legend, if required pursuant to the policies of the TSXV:

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

Any certificate representing Shares issued pursuant to an exercise of an Option before the date that is four months and one day after the date of grant of an Option will bear the following legend, if required pursuant to the policies of the TSXV:

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

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to Corporate Policies, the provisions of the Plan and such other terms and conditions as the Plan Administrator may determine, grant Options to any Participant, and in doing so, may, without limitation, in its discretion, (a) designate the Participants who may receive Options under the Plan, (b) fix the number of Options to be granted to each Participant and the date or dates on which such Options shall be granted, and (c) determine the relevant conditions and vesting schedules in respect of any Options.

4.2 Options Account

All Options received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation as of the Date of Grant. The terms and conditions of each Option grant shall be evidenced by an Option Certificate.

4.3 Exercise Period of Options

Subject to Sections 4.10, 5.1, and 7.4 and Article 6, the Date of Grant and the Expiry Date of an Option shall be the dates fixed by the Plan Administrator at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option, provided that the duration of such Option will not exceed the maximum term permitted by each organized trading facility on which the Shares are listed, being

10 years for the TSXV from the Date of Grant of such Option (subject to extension where the Expiry Date is within a Black-Out period pursuant to Section 5.1).

4.4 Number of Shares under an Option

The number of Shares which may be purchased pursuant to an Option shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option.

4.5 Exercise Price of an Option

The Exercise Price at which a Participant may purchase a Share upon the exercise of an Option shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Price of the Shares as of the Date of Grant. The Market Price of the Shares for a particular Date of Grant shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Price will be:
 - (i) the closing trading price of the Shares on the day immediately preceding the issuance of the news release announcing the grant of the Option, or
 - (ii) if, in accordance with the policies of the TSXV, the Corporation is not required to issue a news release to announce the grant and exercise price of the Option, the closing trading price of the Shares on the day immediately preceding the Date of Grant,

and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (b) if the Shares are listed on more than one organized trading facility, the Market Price shall be the Market Price as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Plan Administrator, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Price will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Plan Administrator; and
- (d) if the Shares are not listed on any organized trading facility, then the Market Price will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Plan Administrator to be the fair value of the Shares, taking into consideration all factors that the Plan Administrator deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length.

Notwithstanding anything else contained herein, in no case will the Market Price be less than the minimum prescribed by each of the organized trading facilities that would apply to the Corporation on the Date of Grant in question.

4.6 Vesting of Options and Acceleration

Subject to the limitations in Section 3.8 and all Applicable Laws, the vesting schedule for an Option, if any, shall be determined by the Plan Administrator and shall be set out in the Option Certificate issued in respect of the Option. The Plan Administrator may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Participant under Section 8.2 of the Plan. Notwithstanding the foregoing, if the Corporation is listed on the TSXV, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

4.7 Additional Terms

Subject to all Applicable Laws and all necessary Regulatory Approvals, the Plan Administrator may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Corporation shall prevail over the terms and conditions in the Option Certificate.

4.8 Exercise of Options

An Option may be exercised only by the Participant or the Personal Representative of any Participant. A Participant or the Personal Representative of any Participant may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Plan Administrator the required Exercise Notice, the applicable Option Certificate and one of following forms of consideration, subject to Applicable Laws:

- (a) *Cash Exercise* - Consideration may be paid by a Participant sending a wire transfer, certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option.
- (b) *Cashless Exercise* - Subject to approval from the Plan Administrator and further subject to the Shares being traded on the Exchange, consideration may be paid by a Participant as follows: (i) a brokerage firm loans money to the Participant in order for the Participant to exercise Options to acquire the underlying Shares (the “**Loan**”); (ii) the brokerage firm then sells a sufficient number of Shares to cover the Exercise Price of the Options that were exercised by the Participant in order to repay the Loan; and (iii) the brokerage firm receives an equivalent number of Shares from the exercise of the Options and the Participant receives the balance of the Shares or the cash proceeds from the balance of such Shares.
- (c) *Net Exercise* - Subject to approval from the Plan Administrator and further subject to the Shares being traded on the Exchange, consideration may be paid by reducing the number of Shares otherwise issuable under the Options such that, in lieu of a cash payment to the Corporation, a Participant, excluding Investor Relations Service Providers, only receives the number of Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the Exercise Price of the subject Options, by (ii) the VWAP of the underlying Shares. The number of Shares delivered to the Participant may be further reduced to satisfy applicable tax withholding obligations pursuant to Section 5.2. In the event of a net exercise, the number of Options exercised, surrendered or converted, and not

the number of Shares issued, must be included in calculating the limits set forth in Sections 3.7 and 3.8.

4.9 Issue of Share Certificates or Direct Registration Statements

As soon as reasonably practicable following the receipt of the Exercise Notice, the Plan Administrator shall cause to be delivered to the Participant a certificate or direct registration statement for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Plan Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option, being the number of Shares subject to the Option Certificate surrendered less the number of Shares purchased and, if applicable, the number of Options exercised, surrendered or converted in accordance with Section 4.8(c), to the Participant concurrent with delivery of the certificate or direct registration statement for the Shares.

4.10 Termination of Options

Subject to such other terms or conditions that may be attached to Options granted hereunder, a Participant may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Plan Administrator at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, pursuant to Article 6.

ARTICLE 5 ADDITIONAL OPTION TERMS

5.1 Black-Out Period

If the Expiry Date for an Option occurs during the Black-Out period, then, notwithstanding any other provision of the Plan, the Option shall be extended no more than ten Business Days after the date the Black-Out is lifted by the Corporation, unless the delayed expiration would result in tax penalties or the Participant or the Corporation is subject to a cease trade order in respect of the Corporation's securities.

5.2 Withholding Taxes

The granting, vesting or exercise of each Option under the Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or exercise, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary of the Corporation is obliged to remit to the relevant taxing authority in respect of the granting, vesting or exercise of the Option. Any such additional payment is due no later than the date on which such amount with respect to the Option is required to be remitted to the relevant tax authority by the Corporation or a Subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (a) withhold such amount from any remuneration or other amount payable by the Corporation or a Subsidiary of the Corporation to the Participant, (b) require the sale of a number of Shares issued upon exercise or vesting of such Option and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount or (c) enter into any other suitable arrangements for the receipt of such amount. If the Corporation is listed on the TSXV, the Corporation will ensure that any tax withholding made by the Corporation under the Plan is conducted in compliance with Policy 4.4.

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan, whether arising as a result of the grant or payment in respect of the Option or otherwise. The Corporation, the Plan Administrator and the Board make no guarantees to any Person regarding the tax treatment of an Option or issuances of Shares and none of the Corporation, the Board, the Plan Administrator or any of the Executives, Employees, Consultants, agents, advisors or representatives of the Corporation or the Subsidiary of the Corporation shall have any liability to a Participant with respect thereto.

5.3 Recoupment

Notwithstanding any other terms of the Plan, Options may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or a Subsidiary of the Corporation and in effect at the Date of Grant of the Option, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 5.3 to any Participant or category of Participants.

5.4 No Other Benefit

- (a) No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share or the value of any Option granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (b) The Corporation makes no representations or warranties to Participants with respect to the Plan or any Options whatsoever. Participants are expressly advised that the value of any Options issued pursuant to the Plan will fluctuate as the trading price of the Shares fluctuates.
- (c) In seeking the benefits of participation in the Plan, the Participant shall exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of any Options.

ARTICLE 6 TERMINATION OF EMPLOYMENT OR SERVICES

6.1 Termination of Participant

Subject to Article 7 and unless otherwise determined by the Plan Administrator or as set forth in an Option Certificate:

- (a) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, then each Option held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. The Plan Administrator, in its discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause. In addition, where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation for Cause, the Plan Administrator may, in its discretion, determine that all Options held by the Participant that have Vested as of the Termination Date shall immediately become forfeited, cancelled, null and void, failing which, all Options held by the Participant that have Vested as of the Termination Date shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and

- (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (b) where a Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then each Option held by the Participant that has not Vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date. All Options held by the Participant that have Vested as of the Termination Date shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (c) where a Participant's employment or services are terminated by the Corporation or a Subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice); then:
- (i) subject to Section 4.6, a portion of any Options held by the Participant that are not yet Vested shall immediately vest, with such portion to be equal to the number of unvested Options multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date the unvested Options were originally scheduled to vest. For clarity and by way of example, if a Participant's employment is terminated 400 days following the Date of Grant and unvested Options were originally scheduled to vest 600 days from the Date of Grant, two-thirds of the unvested Options will immediately vest;
- (ii) subject to Section 6.1(c)(i), any Options held by the Participant that are not yet Vested at the Termination Date after the application of Section 6.1(c)(i) shall be immediately forfeited to the Corporation; and
- (iii) any Options held by the Participant that have Vested as of the Termination Date or Vested pursuant to Section 6.1(c)(i) shall be settled in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period;
- (d) notwithstanding that such date may be prior to the Termination Date, a Participant's eligibility to receive further grants of Options under the Plan ceases as of the date that: (i) the Corporation or a Subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are terminated in the circumstances contemplated by this Section 6.1, or (ii) the Participant provides the Corporation or a Subsidiary of the Corporation, as the case may be, with written notification of the Participant's voluntary resignation;
- (e) unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Options shall not be affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or a Subsidiary of the

Corporation for so long as the Participant continues to be an Executive, Employee or Consultant, as applicable, of the Corporation or a Subsidiary of the Corporation.

6.2 Leave of Absence

If a Participant is on sick leave or other bona fide leave of absence, such Participant shall continue to be deemed a "Participant" for the purposes of an outstanding Option during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Plan Administrator in its discretion). If the period of leave exceeds 90 days (or such longer period as may be determined by the Plan Administrator in its discretion), the relationship shall be deemed to have been terminated by the Participant voluntarily on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Plan Administrator) of such leave, unless the Participant's right to reemployment or reengagement of services with the Corporation or a Subsidiary of the Corporation, as applicable, is guaranteed by statute or contract.

6.3 Death or Disability

Subject to Section 4.6, where a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Option held by the Participant that has not Vested as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; and (ii) first anniversary of the date of the death or Disability of the Participant. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period. A Participant's eligibility to receive further grants of Options under the Plan ceases as of the date of the death or Disability of the Participant.

6.4 Discretion to Permit Acceleration

Notwithstanding the provisions of this Article 6, subject to Sections 3.8(d) and 4.6 and any necessary Regulatory Approvals, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in Article 6, permit the acceleration of vesting of any or all Options, all in the manner and on the terms as may be authorized by the Plan Administrator, and if such discretion is taken and the vesting of any or all Options occurs, then such Options will be exercised in accordance with Section 4.8.

ARTICLE 7 EVENTS AFFECTING THE CORPORATION

7.1 Change in Control

Subject to any necessary Regulatory Approvals:

- (a) Unless determined otherwise by the Plan Administrator, if within 12 months following the completion of a transaction resulting in a Change in Control, (i) a Participant's employment or directorship is terminated by the Corporation or a Subsidiary of the Corporation without Cause or (ii) a Participant resigns for Good Reason, without any action by the Plan Administrator, the vesting of all Options held by such Participant shall immediately accelerate and vest on the date of such Participant's termination or resignation for Good Reason and the Options shall be exercisable in accordance with Section 4.8 at any time during the period that terminates on the earlier of: (i) the Expiry Date; (ii) a date determined by the Plan Administrator in its discretion; and (iii) the first anniversary of the Termination

Date. Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.

- (b) Notwithstanding Section 7.1(a), the Plan Administrator may, without the consent of any Participant, and subject to prior TSXV acceptance pursuant to Section 8.2(a), as applicable, take such steps as it deems necessary or desirable in connection with a Change in Control, including, without limitation, to cause: (i) the conversion or exchange of any outstanding Options into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Options to vest and become realizable, or payable; (iii) restrictions applicable to an Option to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iv) the termination of an Option in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the settlement of such Option or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the settlement of such Option or realization of the Participant's rights, then such Option may be terminated by the Corporation without payment); (v) the replacement of such Option with other rights or property selected by the Board in its discretion; or (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 7.1(a), the Plan Administrator will not be required to treat all Options similarly in the transaction.

7.2 **Triggering Events**

Subject to any necessary Regulatory Approvals and notwithstanding any other provisions of the Plan or any Option Certificate, the Plan Administrator may, without the consent of the Participant in question cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event, provided that the Corporation must give written notice to the Participant in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Participant the opportunity to exercise the Vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Corporation proposes to terminate shall become immediately exercisable. Notwithstanding the foregoing, if the Corporation is listed on the TSXV, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

7.3 **Reorganization of Corporation's Capital**

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control, or in the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control, that would warrant the amendment or replacement of any existing Options in order to adjust the number of Shares that may be acquired on the vesting of outstanding Options and/or the terms of any Option in order to preserve proportionately the rights and obligations of the Participants holding such Options, the Plan Administrator may, subject to the prior approval of the Exchange, if required, authorize such steps to be taken as it may consider to be equitable

and appropriate to that end, including, but not limited to, permitting the immediate vesting of any unvested Options and amending the Exercise Price payable per Share. For greater certainty, neither this Section 7.3 nor any other provision in the Plan permit a Participant to receive additional security based compensation in lieu of dividends declared by the Corporation.

7.4 Assumptions of Options in Acquisitions

Notwithstanding any other provision of the Plan, in connection with a Reverse Takeover, a Change of Business, a Reorganization or an acquisition pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSXV Manual, subject to prior TSXV acceptance, security based compensation of a target Company may be cancelled and replaced with substantially equivalent Options under the Plan without shareholder approval, provided that the rules of the TSXV are complied with.

7.5 No Restriction on Action

The existence of the Plan and of any Options granted hereunder shall not affect, limit or restrict in any way the right or power of the Corporation, the Board or the Corporation's shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise. No Participant or any other Person shall have any claim against any member of the Committee or the Corporation or any Employees, Officers or agents of the Corporation as a result of any such action.

7.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 7, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Options.

7.7 Fractions

No fractional Shares will be issued pursuant to an Option. Accordingly, if, as a result of any adjustment under this Article 7, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares (rounded down to the nearest whole number) and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 8 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

8.1 Discretion of the Plan Administrator

Subject to any Regulatory Approvals, including, where required, the approval of the TSXV and to Section 8.2, the Plan Administrator may, from time to time, without notice to or approval of the Participants or of the shareholders of the Corporation, amend, modify, change, suspend or terminate the Plan or any Options granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that, no such amendment, modification, change, suspension or termination of the Plan or any Options granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such

adjustment is required or desirable in order to comply with any Applicable Laws or Exchange requirements or as otherwise set out in the Plan.

8.2 Amendment of Option or Plan

Notwithstanding Section 8.1 and subject to any rules of the Exchange, if the Corporation is listed on the TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) any adjustment to Options, other than in connection with a security consolidation or security split, is subject to the prior acceptance of the TSXV and the issuance of a news release by the Corporation outlining the terms thereof;
- (b) any amendment to the Plan is subject to the prior acceptance of the TSXV, except for amendments to: (i) reduce the number of Shares that may be issued under the Plan, (ii) increase the Exercise Price of Options, or (iii) cancel Options;
- (c) subject to any rules of the TSXV, approval of shareholders of the Corporation shall be required for any amendment to the Plan except for amendments to: (i) fix typographical errors, and (ii) clarify existing provisions of the Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- (d) any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option, held by an Insider at the time of the proposed amendment is subject to disinterested shareholder approval in accordance with the policies of the TSXV and the issuance of a news release by the Corporation outlining the terms thereof.

ARTICLE 9 MISCELLANEOUS

9.1 Legal Requirement

The Corporation is not obligated to grant any Options, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

9.2 Rights of Participant

No Participant has any claim or right to be granted an Option and the granting of any Option is not to be construed as giving a Participant a right to remain as an Executive, Employee or Consultant of the Corporation or a Subsidiary of the Corporation. Neither the Participant nor such Participant's Personal Representatives shall have any rights whatsoever as a shareholder of the Corporation in respect of Shares issuable pursuant to any Option until the allotment and issuance to such Participant or the liquidator, executor or administrator, as the case may be, of the estate of such Participant, of certificates representing such Shares (or in the case of Shares issued in uncertificated form, receipt of evidence of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Corporation).

9.3 **Conflict**

In the event of any conflict between the provisions of the Plan and the provisions of an Option Certificate, an employment agreement or another written agreement between the Corporation or a Subsidiary of the Corporation and a Participant, the provisions of the Plan shall govern.

9.4 **Anti-Hedging Policy**

By accepting the Option, each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Options.

9.5 **No Guarantee of Tax Consequences**

Neither the Plan Administrator nor the Corporation makes any commitment or guarantee that any specific tax treatment will apply or be available to the Participants.

9.6 **Participant Information**

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

9.7 **Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant.

9.8 **Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and its affiliates.

9.9 **Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

9.10 **Notices**

All written notices to be given by the Participant to the Corporation shall be delivered by (a) hand or courier, with all fees and postage prepaid, addressed using the information specified below, or designated otherwise by the Corporation in writing; or (b) email to the email address that the parties regularly use to correspond with one another or to any other email address specified by the Corporation in writing to the Participant:

Highway 50 Gold Corp.
Suite 2710 - 200 Granville Street
Vancouver, British Columbia
V6C 1S4

Attention: Corporate Secretary

Such notices are, if delivered by hand or by courier, deemed to have been given by the sender and received by the addressee at the time of delivery. Any notice sent by email will be deemed to have been given by the sender and received by the addressee on the first Business Day after it was transmitted. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

9.11 Effective Date and Replacement

The Plan shall become effective upon the receipt of all required shareholder and regulatory approvals, being the Effective Date, and will replace the Prior Plan. All awards granted under the Prior Plan and which remain outstanding at the Effective Date will remain in full force and effect in accordance with their terms; however, following the Effective Date, no additional grants shall be made under the Prior Plan, and the Prior Plan will terminate on the date upon which no further Outstanding Options remain outstanding.

9.12 Governing Law

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

9.13 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including with respect to the grant of Options and any issuance of Shares made in accordance with the Plan.