



**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
for the Annual General and Special Meeting of Shareholders  
TO BE HELD ON DECEMBER 12, 2024**

**Dated as of November 4, 2024**



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

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the "**Meeting**") of the shareholders of **DISTRICT METALS CORP.** (the "**Company**") will be held at 1303-1030 West Georgia Street, Vancouver, BC, V6E 2Y3, on **Thursday, December 12<sup>th</sup>, 2024**, at **10:00 a.m.** (Pacific Time), for the following purposes:

1. To receive and consider the annual audited financial statements of the Company for the years ended June 30, 2024 and 2023;
2. To fix the number of directors for the ensuing year at four (4);
3. To elect the directors for the ensuing year;
4. To appoint Davidson & Company LLP, Chartered Professional Accountants as the Company's auditor for the ensuing year, at a remuneration to be fixed by the directors;
5. To consider and, if thought advisable, pass an ordinary resolution of shareholders approving an omnibus incentive plan of the Company, as more particularly described in the accompanying management information circular (the "**Circular**"); and
6. To transact such further or other business as may properly come before the Meeting and any adjournment(s) thereof.

**The Meeting will be held in person.**  
**Upon request, the Company will make available a telephone conference line.**  
To receive the dial-in information, please email Michelle Teshima at [admin@sentinelcorp.ca](mailto:admin@sentinelcorp.ca) no less than 48 hours prior to the Meeting date.

Only shareholders of record at the close of business on October 29, 2024 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote at such meeting.

The Company has opted to use the notice-and-access rules developed by Canadian Securities Administrators to reduce the volume of paper in the materials distributed for the Meeting. Instead of receiving the Circular with the form of proxy or voting instruction form (the "**Meeting Materials**"), Shareholders received a notice-and-access notification with instructions for accessing the Meeting Materials online. The Circular and other relevant materials are available online at <https://www.districtmetals.com/investors/agm-materials> or on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

***Registered shareholders of the Company are asked to complete, date and sign the accompanying form of proxy, or another suitable form of proxy, and deposit it with the Company's transfer agent, Odyssey Trust Company, at 350 - 409 Granville Street, Vancouver, BC, V6C 1T2, by mail or by fax in North America at 1-888-290-1175, no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof.***

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

**DATED** at Vancouver, British Columbia this the 4<sup>th</sup> day of November 2024.

### **BY ORDER OF THE BOARD**

"Garrett Ainsworth"

Garrett Ainsworth  
President, Chief Executive Officer and Director



## MANAGEMENT INFORMATION CIRCULAR

(containing information as at October 29, 2024 unless otherwise stated)

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of **District Metals Corp.** (the “**Company**”), for use at the annual general and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of the Company to be held at **Suite 1303 – 1030 West Georgia Street**, Vancouver, British Columbia, V6E 2Y3 on **Thursday, December 12, 2024 at 10:00 a.m.** (Pacific Time) for the purposes set forth in the accompanying Notice of Annual General and Special Meeting and at any adjournment or postponement thereof.

**The Meeting will be held in person.**

**Upon request, the Company will make available a telephone conference line.**

To receive the dial-in information, please email Michelle Teshima at [admin@sentinelcorp.ca](mailto:admin@sentinelcorp.ca) no less than 48 hours prior to the Meeting date.

### SOLICITATION OF PROXIES

**The enclosed instrument of proxy is solicited by Management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse Intermediaries (as defined below) who are Registered Shareholders (as defined below) (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) to deliver the Notice and Access Notification (as defined below). The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Circular. The Company is using the notice-and-access provisions of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) to deliver the Meeting Materials (as defined below) to its Shareholders.

References in this Circular to the Meeting include any adjournment or postponement thereof. Unless otherwise indicated, in this Circular, all references to “\$” are in Canadian dollars.

### NOTICE AND ACCESS

The Company is using the notice-and-access provisions of NI 51-102 and NI 54-101 (“**Notice and Access**”) for the delivery of the Circular with the form of proxy or voting instruction form (the “**Meeting Materials**”) to its Shareholders. Instead of receiving printed Meeting Materials, Shareholders received a notice-and-access notification (the “**Notice and Access Notification**”) with instructions for accessing the Meeting Materials online. The Circular and other relevant materials are available online at <https://www.districtmetals.com/investors/agm-materials> for a period of one year from the date of the Meeting or on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Shareholders who wish to receive paper copies of the Meeting Materials may request them should contact the Company’s Corporate Administrator by telephone at 604-288-8001 or by email at [admin@sentinelcorp.ca](mailto:admin@sentinelcorp.ca). To receive paper copies in advance of the proxy deposit deadline, the Company must receive the request no later than 4:00 p.m. (Pacific Time) on November 26, 2024. The Company will not use the “stratification” procedure for Notice and Access, where a paper copy of the Meeting Materials is provided along with the notice package.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person in place of the persons named in the enclosed instrument of proxy to attend and act for and on behalf of the Shareholder at the Meeting. To exercise this right, a Registered Shareholder shall strike out the names of the persons named in the instrument**

of proxy and insert the name of their nominee in the blank space provided or complete another instrument of proxy. The completed instrument of proxy should be deposited with the Company's registrar and transfer agent, *Odyssey Trust Company, at 350 - 409 Granville Street, Vancouver, BC, V6C 1T2* at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.

The instrument of proxy must be dated and be signed by the Registered Shareholder or by their attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

In addition to revocation in any other manner permitted by law, a Registered Shareholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a Shareholder present in person, whereupon such proxy shall be deemed to have been revoked.

Only Registered Shareholders have the right to revoke a proxy. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any ballot, the persons named in the enclosed instrument of proxy will vote the Shares in respect of which they are appointed and, where directions are given by the Shareholder in respect of voting for or withheld on any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that such Shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. The enclosed instrument of proxy does not confer authority to vote for the election of any person as a director of the Company other than for those persons named in this Circular. At the time of printing of this Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the named proxyholder.

#### **Voting Thresholds Required for Approval and Quorum**

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "Ordinary Resolution") unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required.

Quorum for the transaction of business at the Meeting is one (1) Shareholder present in person or by proxy.

#### **NON-REGISTERED HOLDERS**

The record date for determination of the holders of common shares of the Company without par value (each, a "Share") entitled to receive notice of, and to vote at, the Meeting is October 29, 2024 (the "Record Date"). Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date ("Registered Shareholders") will be entitled to receive notice of, and to vote at, the Meeting.

Most Shareholders of the Company 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,

RRIFs, RESPs, TFSAs and similar plans); or (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”. Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge (as defined below)) to such NOBOs. The Company will not be sending proxy-related materials directly to NOBOs. The Company’s NOBOs can expect to be contacted by Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada or their brokers or their broker’s agents. 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. The Company does not intend to pay for an Intermediary to deliver Meeting Materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless their Intermediary assumes the costs of delivery.

Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar- code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Odyssey Trust Company, at 350 – 409 Granville Street, Vancouver, BC, V6C 1T2 not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. Should a Non-Registered Holder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the form of proxy and insert the name of the Non-Registered Holder (or other person selected by the Non-Registered Holder) in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

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

No person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last completed financial year, nor any proposed nominee for director of the Company, nor

any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the approval of the Omnibus Plan.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of Shares. At the close of business on October 29, 2024, 130,565,877 Shares were issued and outstanding, each share carrying the right to one vote. At a meeting of shareholders of the Company, 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 held.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying 10% or more of the outstanding voting rights of the Company.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **1. Financial Statements**

The audited consolidated financial statements of the Company for the financial years ended **June 30, 2024 and 2023** (the “**Financial Statements**”) and the independent auditor’s report thereon, will be presented to Shareholders at the Meeting.

#### **2. Fixing the Number of Directors**

At the Meeting, Shareholders will be asked to set the number of directors of the Company at four (4).

**Management recommends a vote FOR setting the number of directors at four (4).**

#### **3. Election of Directors**

The following table sets forth the names and jurisdictions of residence of the nominees for election as directors of the Company, the offices in the Company, if any, held by them, and the number of Shares beneficially owned, or over which control or direction is exercised as at the Record Date. All nominees standing for election have confirmed they are eligible and willing to serve. A director’s term of office (subject to the provisions, if any, of the Company’s articles, and subject to his or her election for an expressly stated term) shall be from the date of the meeting at which he or she is elected or appointed until the close of the next annual meeting of Shareholders, or until his or her successor is elected or appointed.

**Management recommends a vote FOR each of the nominated directors. In the absence of instructions to the contrary, the accompanying proxy will be voted FOR the nominees listed herein. Shareholders may vote “for” or “withhold” for each of the nominees.**

Name, Province and Country of Residence <sup>(1)</sup> , and Positions held with the Company	Principal Occupation and, IF NOT an Elected Director, Principal Occupation during the Past Five Years <sup>(1)</sup>	Director Since	No. of Securities beneficially owned or controlled <sup>(1)</sup>
<b>Garrett Ainsworth</b> British Columbia, Canada President, CEO and Director	President, CEO and Director of the Company (2018 – present) Chairman and Director of Kraken Energy Corp. (2022 – present)	July 11, 2018	3,340,000 Shares 3,650,000 Options 15,000 Warrants
<b>Joanna Cameron</b> <sup>(2)</sup> British Columbia, Canada Director	Partner, Osler, Hoskin and Harcourt LLP (2022 – present) Associate Counsel, DuMoulin Black LLP (2018 – 2022)	July 31, 2019	280,000 Shares 1,200,000 Options 15,000 Warrants

Name, Province and Country of Residence <sup>(1)</sup> , and Positions held with the Company	Principal Occupation and, IF NOT an Elected Director, Principal Occupation during the Past Five Years <sup>(1)</sup>	Director Since	No. of Securities beneficially owned or controlled <sup>(1)</sup>
<b>Jonathan Challis</b> <sup>(2)</sup> Kent, United Kingdom Director	Director, Alerio Gold Corp. (2021 – present) Director, Pasinex Resources Limited (2014 – present)	October 7, 2020	30,000 Shares 1,250,000 Options 15,000 Warrants
<b>Doug Ramshaw</b> <sup>(2)</sup> Alberta, Canada Director	President and Director, Minera Alamos Inc. (2018 – present) Director of Great Bear Resources Ltd. (2016 – 2022)	March 9, 2020	1,362,000 Shares 1,250,000 Options 15,000 Warrants

(1) This information, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) Member of Audit Committee.

#### *Director Biographies*

**Garrett Ainsworth** – President, CEO and Director – Mr. Ainsworth is an accomplished professional geologist and mining executive that has been awarded for two significant mineral discoveries and has raised more than \$300M in equity and convertible debt throughout his career. He was Vice President Exploration & Development at NexGen Energy Ltd. from 2014 to 2018, where he led the technical team and was involved with marketing and raising capital. For his technical work at NexGen, Mr. Ainsworth was co-recipient of the 2018 PDAC Bill Dennis Award, and the 2016 Mines and Money Exploration Award. Prior to NexGen, Mr. Ainsworth was the Vice President Exploration at Alpha Minerals Inc., and project managed the discovery of the Patterson Lake South high-grade uranium boulder field and drill discovery of the Triple R Uranium deposit. Mr. Ainsworth was named co-recipient of the AMEBC Colin Spence Award in 2013 for his lead role in the discovery of Triple R. Mr. Ainsworth holds an Institute of Corporate Directors, Director (ICD.D) designation, and is a Professional Geoscientist (PGeo) in the Province of British Columbia. He also holds a Diploma of Technology in Mining and Bachelor of Technology in Environmental Engineering with honours from BCIT, and a Bachelor of Science in Geology with first class honours from Birkbeck, University of London.

**Joanna Cameron** – Director – Ms. Cameron is a partner at Osler with more than 25 years of experience in corporate and securities law with a focus primarily on capital market transactions and business law matters, including equity and debt financings, initial public offerings as well as public and private mergers and acquisitions. Prior to joining Osler, Ms. Cameron was Associate Counsel at DuMoulin Black LLP. Ms. Cameron was the Vice President Legal, General Counsel and Corporate Secretary of NexGen; and, was also previously a partner at Cassels Brock & Blackwell LLP, Lawson Lundell LLP and Norton Rose Fulbright LLP. Ms. Cameron obtained her Bachelor of Laws from the University of Saskatchewan and a Bachelor of Arts, Honours (Economics and History) from Queen’s University.

**Jonathan Challis** – Director – Mr. Challis is a mining engineer with over 30 years of experience in the operation, management, financing and analysis of mining projects around the world. He started his professional life as a mining engineer with Gold Fields of South Africa in 1974 before returning to Europe where he worked as a mining analyst and project financier for several European institutions. He subsequently joined McLeod Young Weir in London in 1987 as a mining analyst prior to relocating to Toronto in 1990. In 1994, he joined CM Oliver in Toronto as a Director and Senior Mining Analyst, prior to moving back to London where he was instrumental in establishing a European presence for that company. In 1997, he joined Ivanhoe Capital Corporation and was involved in several Canadian resource companies in the roles of CEO, President, and director. He is currently a Director of Pasinex Resources Ltd. and Alerio Gold Corp. He earned an honours degree in Mineral Exploitation from University College, Cardiff, and an MBA degree from Cranfield School of Management. He holds both the South African Metalliferous Mine

Captain's and Mine Manager's Certificates of Competency. He is a Fellow of the Institute of Materials, Minerals and Mining (UK) and a Chartered Engineer.

**Doug Ramshaw** – Director – Mr. Ramshaw is a senior executive and corporate director with more than 25 years of experience in the mineral resource sector. His work has focused on mineral project evaluation, M&A and business development strategies supporting corporate growth. Mr. Ramshaw is currently President and Director of Minera Alamos Inc. and has previously worked as a mining analyst for an independent brokerage firm in London, UK and served in various executive capacities for a number of publicly listed junior resource companies. He holds a Bachelor of Science in Mining Geology from the Royal School of Mines.

*Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions*

For purposes of the disclosure in this section, “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Except as set forth below, to the knowledge of the Company, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade order, that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. Challis is a director of Alerio Gold Corp. (“**Alerio**”). On February 29, 2024, a failure to file cease trade order (“**FFCTO**”) was issued to Alerio by the British Columbia Securities Commission (the “**BCSC**”) for failure to file its audited annual financial statements, management’s discussion and analysis and certifications of annual filings for the year ended August 31, 2023 and its interim financial statements, management’s discussion and analysis and certifications of interim filings for the period ended November 30, 2023. Alerio filed the annual financial statements and corresponding management’s

discussion and analysis on May 28, 2024 and the interim financial statements and corresponding management's discussion and analysis on May 29, 2024. The FFCTO was revoked on October 7, 2024.

Mr. Challis is a director of Pasinex Resources Limited. ("**Pasinex**"). On April 30, 2024, an FFCTO was issued to Pasinex by the BCSC for failure to file its audited annual financial statements, management's discussion and analysis and certifications of annual filings for the year ended December 31, 2023. Pasinex filed the annual financial statements and corresponding management's discussion and analysis and certifications on May 31, 2024 and the FFCTO was revoked on June 11, 2024.

On June 11, 2024, a cease trade order was issued to Pasinex by the BCSC for failure to file its interim financial statements, management's discussion and analysis and certifications of interim filings for the period ended March 31, 2024. Pasinex filed the interim financial statements and corresponding management's discussion and analysis and certifications on July 8, 2024 and the FFCTO was revoked by the BCSC on July 9, 2024.

Mr. Doug Ramshaw was the President, CEO and Director of Aftermath Silver Ltd., a BC registered company that is listed on the NEX Board of the TSX Venture Exchange. On October 6, 2015, Aftermath Silver was subject to a cease trade order for failure to file financial statements. The cease trade order was lifted by the BCSC on August 18, 2017.

#### **4. Appointment and Remuneration of Auditor**

At the Meeting, Shareholders will be asked to vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**"), as the auditor of the Company to hold office for the ensuing year and to authorize the directors of the Company to fix their remuneration.

On May 24, 2024, Davidson was appointed the Company's auditor following the resignation of the Company's previous auditors, Smythe LLP. As required by section 4.11 of NI 51-102, a copy of the Company's reporting package (which has been filed with applicable securities regulatory authorities and delivered to each of Davidson and Smythe LLP). See **Schedule "B"** attached hereto, which includes the following documents:

- Notice of Change of Auditor dated May 22, 2024;
- Letter from Smythe LLP dated May 22, 2024; and
- Letter from Davidson confirming the Notice of Change of Auditor dated May 23, 2024.

**Management recommends a vote FOR the appointment of the Company's auditors. In the absence of instructions to the contrary, the accompanying proxy will be voted FOR the appointment of Davidson as auditors of the Company for the ensuing year and the authorization of the directors of the Company to fix their remuneration.**

#### **5. Approval of Omnibus Plan**

On November 4, 2024 the board of directors of the Company (the "**Board**") adopted an omnibus incentive plan (the "**Omnibus Plan**") to replace the Company's Current Plan (the "**Current Plan**"). At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an Ordinary Resolution (the "**Omnibus Plan Resolution**") approving the Omnibus Plan.

The Omnibus Plan is a ten percent (10%) rolling plan, pursuant to which the Board may grant options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**") and together with the Options, RSUs and PSUs, "**Awards**") to acquire Shares to Eligible Participants (as defined below).

Subject to approval of the Omnibus Plan by Shareholders, all security-based compensation granted after November 4, 2024 will be governed by the Omnibus Plan. If, at the Meeting, the Company does not obtain Shareholder approval of the Omnibus Plan Resolution, the Current Plan will continue to remain in place. The Omnibus Plan has been conditionally approved by the TSX Venture Exchange (the "**TSXV**") subject to Shareholder approving the Omnibus Plan Resolution.

The Board and management is of the view that the Omnibus Plan is integral to attracting and retaining high-quality executives and employees, as well providing an incentive to the directors, officers, employees, management and others who provide service to the Company to act in the best interests of the Company and enhance Shareholder value. If the Omnibus Plan is not approved at the Meeting, previously granted Options under the Current Plan will be unaffected.

Shareholders are being asked at the Meeting to adopt and approve the Omnibus Plan Resolution. A summary of the Omnibus Plan is included below, however, does not purport to be a complete summary of the Omnibus Plan and is qualified in its entirety with reference to the full text of the Omnibus Plan, attached to this Circular as **Schedule "A"**. For the purposes of the description of the Omnibus Plan below, unless otherwise defined herein, capitalized terms shall have the meaning ascribed thereto in the Omnibus Plan.

#### Purpose

The purpose of the Omnibus Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes: (a) to increase the interest in the Company's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary; (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities; (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

#### Eligible Participants

Only Eligible Participants are eligible to be granted Awards under the Omnibus Plan. "Eligible Participants" under the Omnibus Plan are directors, officers, employees or Consultants (as defined below) of the Company or any of its Subsidiaries. Only directors are eligible to be granted DSUs under the Omnibus Plan.

"Consultants" under the Omnibus Plan, in relation to the Company, are an individual (other than a director, officer or employee of the Company or of any of its Subsidiaries) or corporation that: (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its Subsidiaries, other than services provided in relation to a Distribution (as such term is defined in TSXV Policy 1.1); (b) provides the services under a written contract between the Company or any of its Subsidiaries and the individual or the corporation, as the case may be; and (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its Subsidiaries.

#### Administration of the Omnibus Plan

The Omnibus Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board.

#### General Conditions of the Omnibus Plan

- The maximum number of Shares issuable pursuant to outstanding Awards under the Omnibus Plan shall not exceed 10% of the total number of Shares outstanding at any given time, less any Shares reserved for issuance under the Omnibus Plan.
- The Omnibus Plan is an "evergreen" plan, as Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Omnibus Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Omnibus Plan with respect to any portion of an Award that is settled in cash.

- The maximum number of Shares issuable to Eligible Participants who are Insiders (as a group), at any time, under the Omnibus Plan and any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Issue at any point in time, unless requisite disinterested shareholder approval has been obtained to exceed.
- The maximum number of Shares issuable to Eligible Participants who are Insiders (as a group), within any one year period, under the Omnibus Plan and any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Issue at any point in time, unless requisite disinterested shareholder approval has been obtained to exceed.
- The TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Omnibus Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSXV:
  - the maximum number of Shares issuable to any one Eligible Participant under Awards in any 12-month period shall not exceed 5% of the Outstanding Issue (unless requisite disinterested shareholder approval has been obtained to exceed);
  - the maximum number of Shares issuable to any one Consultant in any 12-month period shall not exceed 2% of the Outstanding Issue; and
  - Investor Relations Service Providers (within the meaning of TSXV Policy 4.4) (A) may only be granted Options under an Award, (B) the maximum number of Shares issuable to all Investor Relations Service Providers under any Options awarded shall not exceed 2% of the Outstanding Issue in any 12-month period, in each case measured as of the date of grant of an Award, and (C) may not be granted a Cashless Exercise Right.
- No Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for an Eligible Participant who dies or who ceases to be an Eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.
- Any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange, and may not be accelerated without prior approval of the TSXV.
- The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant. The “Market Value” means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on the TSXV, the volume weighted average trading price of the Shares on the TSXV for the five trading days immediately preceding the relevant time as it relates to an Award, provided that it is not less than the “Discounted Market Price” (within the meaning of the policies of the TSXV), in which case it shall be the Discounted Market Price; or (ii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons.
- The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten years from the date the Option is granted.
- Subject to the rules and policies of the TSXV (including the TSXV Share Limits, as applicable), the Board may, in its discretion and at any time, determine to grant an Eligible Participant the right, when entitled to exercise Options, to deal with such Options on a “cashless exercise” basis (the “**Cashless Exercise Right**”).
- If the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control, (i) an Eligible Participant who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or Consulting Agreement terminated, or the Eligible Participant is constructively dismissed, or (ii) a

director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out notwithstanding the Restricted Period and any Deferred Payment Date, and all unvested Options shall vest and become exercisable, provided that any acceleration of the vesting of Options issued to any Investor Relations Service Provider may not be accelerated without the prior approval of the TSXV. Any Options that become exercisable as a result of a Change of Control shall remain open for exercise until the earlier of their expiry date as set out in the Grant Agreement and the date that is 90 days after such termination or dismissal.

Types of Awards Provided for under the Omnibus Plan

*Options*

An Option is an option granted by the Company to an Eligible Participant entitling such Eligible Participant to acquire a designated number of Shares from treasury at the Option Price. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

Subject to the provisions set forth in the Omnibus Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Omnibus Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the Option Price and the relevant vesting provisions and the Option Term, the whole subject to the terms and conditions prescribed in the Omnibus Plan or in any Option Agreement, and any applicable rules of the TSXV.

Should the expiration date for an Option fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black-Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Omnibus Plan.

Each Option is subject to the following conditions:

<b>Termination Event</b>	<b>Provisions</b>
Termination for Cause	Upon an Eligible Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Eligible Participant shall terminate automatically and become void immediately. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination.
Termination not for Cause	Upon an Eligible Participant ceasing to be an Eligible Participant as a result of such Eligible Participant's employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Eligible Participant shall terminate and become void immediately and (ii) any vested Option granted to such Eligible Participant may be exercised by such Eligible Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of 90 days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire. Notwithstanding the foregoing, any vested Option must expire within a reasonable period, not exceeding 12 months, following the date the Eligible Participant ceases to be an Eligible Participant under the Omnibus Plan.
Resignation	Upon an Eligible Participant ceasing to be an Eligible Participant as a result of such Eligible Participant's resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Eligible Participant shall terminate and become void immediately upon resignation, and (ii) unless otherwise

Termination Event	Provisions
Permanent Disability or Retirement	determined by the Board, in its sole discretion, each vested Option granted to such Eligible Participant will cease to be exercisable on the earlier of 90 days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire. Notwithstanding the foregoing, any vested Option must expire within a reasonable period, not exceeding 12 months, following the date the Eligible Participant ceases to be an Eligible Participant under the Omnibus Plan.
Death	Upon an Eligible Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Eligible Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Eligible Participant for that number of Shares only which such Eligible Participant was entitled to acquire under the respective Options (the “ <b>Vested Awards</b> ”) on the date of such Eligible Participant’s death. Such Vested Awards shall only be exercisable within 12 months after the Eligible Participant’s death or prior to the expiration of the original term of the Options whichever occurs earlier.

*Restricted Share Units and Performance Share Units*

A RSU is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Eligible Participant to acquire Shares as determined by the Board or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. RSUs that include Performance Criteria are PSUs. Unless otherwise determined by the Board in its discretion, the Award of a RSU is considered a bonus for services rendered in the calendar year in which the Award is made or as an incentive for future services rendered to the Company or its Subsidiaries.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Omnibus Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restricted Period of such RSUs, (provided, however, that no such Restricted Period shall exceed the three years in accordance with the Omnibus Plan), and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in the Omnibus Plan and in any RSU Agreement.

Subject to the vesting and other conditions and provisions in the Omnibus Plan and in the RSU Agreement, each vested RSU awarded to an Eligible Participant shall entitle the Eligible Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the

Restricted Period. For greater certainty, RSUs that are subject to Performance Criteria may not become fully vested by the last day of the Restricted Period.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Eligible Participant was a shareholder of record of Shares on the relevant record date.

Each RSU shall be subject to the following conditions:

<b>Termination Event</b>	<b>Provisions</b>
Termination for Cause and Resignation	Upon an Eligible Participant ceasing to be an Eligible Participant for Cause or as a result of such Participant's resignation from the Company or a Subsidiary, the Eligible Participant's participation in the Omnibus Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date. The Eligible Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.
Death or Termination	Upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) such Participant's employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability, or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant's Account as of such date relating to a Restricted Period in progress shall be terminated, and the Eligible Participant shall not receive any payment in lieu of cancelled RSUs.
General	For greater certainty, where an Eligible Participant's employment or service relationship with the Company or a Subsidiary is terminated under one of the above termination events following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Eligible Participant shall remain entitled to such distribution or payment provided such distribution or payment is made within a reasonable period, not exceeding 12 months, following termination of such Eligible Participant's employment or service relationship.

#### *Deferred Share Units*

A DSU is an Award attributable to an Eligible Participant's duties as a director of the Company and that, upon settlement, entitles the recipient Eligible Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Omnibus Plan, (ii) fix the number of DSU Awards to be granted to each Eligible Participant, and (iii) fix the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in the Omnibus Plan and in any DSU Agreement. Each DSU awarded shall entitle the Eligible Participant to one Share, or the Cash Equivalent, or a combination thereof.

In the event of the death of an Eligible Participant, the Company will make payment, net of applicable tax withholding, of the DSU Settlement Amount within two months of the Eligible Participant's death to or for the benefit of the legal representative of the deceased Eligible Participant. For the purposes of the calculation of the Settlement Amount, the Filing Date shall be the date of the Participant's death.

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Eligible Participant was a shareholder of record of Shares on the relevant record date.

Pursuant to the policies of the TSXV, the Company is required to obtain shareholder approval of the Omnibus Plan in connection with the implementation thereof. Accordingly, at the Meeting, the shareholders will be asked to pass the following Ordinary Resolution to approve the Omnibus Plan.

**UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION OF SHAREHOLDERS THAT:**

- 1) Subject to the approval of the TSX Venture Exchange, the Company's omnibus incentive plan (the "**Omnibus Plan**"), pursuant to which the board of directors of the Company may, from time to time, authorize the issuance of options, restricted share units, performance share units and deferred share units to certain directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant, be and is hereby authorized, approved, ratified and confirmed.
- 2) Any one officer or director of the Company be and is hereby authorized and directed to do all such further acts and things and to execute and deliver or sign and file (as the case may be) all such further notices, instruments, certificates and other documents (for and on behalf of the Company and whether under corporate seal or otherwise) as such officer or director may consider necessary or advisable having regard to the foregoing resolutions.

**Management recommends a vote FOR the Omnibus Plan Resolution. In the absence of instructions to the contrary, the accompanying proxy will be voted FOR the Omnibus Plan Resolution.**

**CORPORATE GOVERNANCE DISCLOSURE**

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 Company. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of the following corporate governance practices as set out below.

**Independence of Members of the Board**

The Board currently consists of four (4) directors, three (3) of whom are independent based upon the tests for independence set forth in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and NI 58-101. Joanna Cameron, Jonathan Challis and Doug Ramshaw are considered independent. Garrett Ainsworth is not independent as he is also an officer of the Company.

Director	Independence
Garrett Ainsworth	Not independent, as he is the President and CEO of the Company
Joanna Cameron	Independent
Jonathan Challis	Independent
Doug Ramshaw	Independent

To safeguard independence, the independent directors are encouraged to have open and frank discussions at the regularly scheduled meetings and, if necessary, require that the non-independent directors leave the meeting while such discussions are undertaken.

**Board Mandate**

The Board Mandate, which was implemented by the Board on October 10, 2020, was most recently reviewed by the Board on June 20, 2024. The fundamental responsibility of the Board is to provide stewardship and governance over the management of the Company with the objective of maximizing Shareholder value and ensuring corporate conduct in an ethical and legal manner. This is done in context of the requirements under the Company’s incorporating documents, an appropriate system of corporate governance and internal controls and applicable law. The Board is responsible for the management or supervising the management of the Company’s business and affairs. In supervising the conduct of the business, the Board, through the CEO, sets the standards of conduct for the Company. The Board Mandate is reviewed and re-approved by the Board annually.

**Participation of Directors in Other Reporting Issuers**

The following table sets out, as at the date of this Circular, the current directors of the Company that are currently directors of other reporting issuers:

The following directors of the Company are also currently directors of the following reporting issuers:

<b>Director</b>	<b>Name of Reporting Issuer</b>
Garrett Ainsworth	Kraken Energy Corp.
Joanna Cameron	Durango Resources Inc.
Jonathan Challis	Alerio Gold Corp. Pasinex Resources Ltd.
Doug Ramshaw	Minera Alamos Inc.

**Orientation and Continuing Education**

The Board does not have a formal orientation process for new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company’s business and understand his or her responsibilities as a member of the Board.

Similarly, the Board does not have a formal continuing education program for its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors are, however, invited to consult with the Company’s professional advisors, as necessary, regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

**Code of Business Conduct and Ethics**

The Code of Business Conduct and Ethics (the “Code”) was implemented by the Board on October 10, 2020, and re-approved on June 7, 2024. The Code, which is governed by the Audit Committee, applies to all directors, officers, employees and consultants of the Company and outlines the fundamental principles of legal and ethical business conduct critical to the Company’s success. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity.

It is a requirement of applicable corporate law that directors and senior officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions

and voting in respect to same if the interest is material. These requirements are also contained in the Company's articles.

### **Nomination of Directors**

The identification of potential candidates for nomination as directors of the Company is done by the Board, although a formal process has not been adopted. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other facts. Members of the Board and representatives of the mining industry are consulted for possible candidates. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and CEO. Please see section above "Election of Directors" for more information on the four nominees.

### **Compensation**

The compensation of directors, the President and CEO and executive officers is determined by the Board. See "Statement of Executive Compensation" below.

### **Other Board Committees**

The Board has established one standing committee in the Audit Committee.

#### *Audit Committee Charter*

The Audit Committee has a charter, which is attached hereto as **Schedule "C"**.

#### *Composition of the Audit Committee*

As at the date of this Circular, the following are the members of the Audit Committee:

Jonathan Challis <sup>(1)</sup>	Independent <sup>(2)</sup>	Financially literate <sup>(2)</sup>
Joanna Cameron	Independent <sup>(2)</sup>	Financially literate <sup>(2)</sup>
Doug Ramshaw	Independent <sup>(2)</sup>	Financially literate <sup>(2)</sup>

(1) Chair of the Audit Committee.

(2) As defined by NI 52-110.

#### *Audit Committee Oversight*

At no time since the commencement of the Company's financial year ended June 30, 2024 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

#### *Pre-Approval Policies and Procedures*

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

#### *External Auditors Service Fees*

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>	<b>Total</b>
June 30, 2024	\$37,500	Nil	Nil	Nil	\$37,500
June 30, 2023	\$33,000	Nil	\$4,000	Nil	\$37,000

- (1) "Audit Fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited Related Fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above.
- (3) "Tax Fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit Fees", "Audit Related Fees" and "Tax Fees" above.

#### *Reliance on Certain Exemptions*

During the year ended June 30, 2024, the Company has not relied on any of the following exemptions in NI 52-110: section 2.4 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

#### *Exemption for Venture Issuers in Section 6.1 of NI 52-110*

Pursuant to Section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

#### **Assessments**

The Board as a whole, assesses its performance, that of its committees and the contribution of individual directors, on an ongoing basis.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purpose of this statement of executive compensation:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries; and

"**NEO**" or "**named executive officer**" means each of the following individuals:

- a) a chief executive officer ("**CEO**") of the Company;
- b) a chief financial officer ("**CFO**") of the Company;
- c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, and sets forth compensation for each of Garrett Ainsworth, President, CEO and a director of the Company, Marlis Yassin,

CFO and Corporate Secretary of the Company (together, the “NEOs”) and Joanna Cameron, Jonathan Challis and Doug Ramshaw, directors of the Company.

### Director and NEO Compensation, Excluding Options and Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, and each director, during the two most recently completed financial years ended June 30, 2024 and 2023:

<i>Table of Compensation Excluding Compensation Securities</i>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Garrett Ainsworth</b> <sup>(1)</sup> <i>President, CEO and Director</i>	2024	255,000	127,500	Nil	Nil	Nil	382,500
	2023	255,000	Nil	Nil	Nil	Nil	255,000
<b>Marlis Yassin</b> <sup>(2)</sup> <i>CFO and Corporate Secretary</i>	2024	75,000	25,000	Nil	Nil	Nil	100,000
	2023	60,000	Nil	Nil	Nil	Nil	60,000
<b>Jonathan Challis</b> <i>Director</i>	2024	6,600	12,000	12,000	Nil	Nil	30,600
	2023	Nil	Nil	12,000	Nil	Nil	12,000
<b>Joanna Cameron</b> <i>Director</i>	2024	6,600	12,000	12,000	Nil	Nil	30,600
	2023	Nil	Nil	12,000	Nil	Nil	12,000
<b>Doug Ramshaw</b> <i>Director</i>	2024	6,600	12,000	12,000	Nil	Nil	30,600
	2023	27,500	Nil	12,000	Nil	Nil	39,500

(1) Garrett Ainsworth does not receive compensation for duties as director of the Company.

(2) Marlis Yassin was appointed as CFO on February 4, 2021 and Corporate Secretary on September 29, 2023.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued by the Company to each NEO, and director of the Company for the financial year ended June 30, 2024, for services provided or to be provided, directly or indirectly, to the Company.

<b>Table of Compensation Securities</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities<sup>(1)</sup></b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
<b>Garrett Ainsworth</b> <sup>(2)</sup> <i>President, CEO and Director</i>	Options	900,000	2024-02-01	0.28	0.28	0.31	2029-02-01
<b>Marlis Yassin</b> <sup>(3)</sup> <i>CFO and Corporate Secretary</i>	Options	400,000	2024-02-01	0.28	0.28	0.31	2029-02-01
<b>Joanna Cameron</b> <sup>(4)</sup> <i>Director</i>	Options	300,000	2024-02-01	0.28	0.28	0.31	2029-02-01
<b>Doug Ramshaw</b> <sup>(5)</sup> <i>Director</i>	Options	300,000	2024-02-01	0.28	0.28	0.31	2029-02-01
<b>Jonathan Challis</b> <sup>(6)</sup> <i>Director</i>	Options	300,000	2024-02-01	0.28	0.28	0.31	2029-02-01

(1) All Options vest immediately.

(2) At June 30, 2024, Mr. Ainsworth also held 750,000 Options exercisable at \$0.21 until June 2, 2025; 450,000 Options exercisable at \$0.46 until December 30, 2025; 750,000 Options exercisable at \$0.25 until October 7, 2026; and 800,000 Options exercisable at \$0.20 until March 6, 2028.

(3) At June 30, 2024, Ms. Yassin also held 40,000 Options exercisable at \$0.21 until June 2, 2025; 150,000 Options exercisable at \$0.46 until December 30, 2025; 150,000 Options exercisable at \$0.25 until October 7, 2026; 250,000 Options exercisable at \$0.20 until March 6, 2028.

(4) At June 30, 2024, Ms. Cameron also held 250,000 Options exercisable at \$0.21 until June 2, 2025; 150,000 Options exercisable at \$0.46 until December 30, 2025; 250,000 Options exercisable at \$0.25 until October 7, 2026; and 250,000 Options exercisable at \$0.20 until March 6, 2028.

(5) At June 30, 2024, Mr. Ramshaw also held 300,000 Options exercisable at \$0.21 until June 2, 2025; 150,000 Options exercisable at \$0.46 until December 30, 2025; 250,000 Options exercisable at \$0.25 until October 7, 2026; and 250,000 Options exercisable at \$0.20 until March 6, 2028.

(6) At June 30, 2024, Mr. Challis also held 300,000 Options exercisable at \$0.33 until October 7, 2025; 150,000 Options exercisable at \$0.46 until December 30, 2025; 250,000 Options exercisable at \$0.25 until October 7, 2026; and 250,000 Options exercisable at \$0.20 until March 6, 2028.

### **Exercise of Compensation Securities by Directors and NEOs**

The following table sets out information concerning compensation securities exercised by each NEO and director during the financial year ended June 30, 2024.

<b>Exercise of Compensation Securities by Directors and NEOs</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise Price Per Security</b>	<b>Date of Exercise</b>	<b>Closing price of security or underlying security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date (\$)</b>
<b>Garrett Ainsworth</b> <i>President, CEO and Director</i>	Options	250,000	0.20	2024-06-21	0.33	0.13	32,500
<b>Joanna Cameron</b> <i>Director</i>	Options	150,000	0.20	2024-06-21	0.33	0.13	19,500

### **Stock Option Plans and Other Incentive Plans**

#### *Current Option Plan*

The Company's Current Plan was approved by the Company's board of directors on October 9, 2022 and last approved by the shareholders of the Company on December 4, 2023. Under the terms of the Current Plan, the Board may grant options to purchase Shares of the Company to NEOs, Directors and employees of the Company or affiliated corporations and to consultants retained by the Company.

### **Employment, Consulting and Management Agreements**

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. Except as described below, there are no agreements or arrangements that provide for compensation to NEOs or directors of the Company, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

The Company entered into an employment agreement with Garrett Ainsworth on June 1, 2020 (the "**Ainsworth Agreement**"). Pursuant to the Ainsworth Agreement: (i) in the event Mr. Ainsworth is terminated without cause, Mr. Ainsworth is entitled to 12 months of Mr. Ainsworth's then annual salary and 12 months of Mr. Ainsworth's Annual Bonus (as defined below) in respect of the most recently completed fiscal year; and (ii) in the event Mr. Ainsworth resigns or is terminated within twelve months of a change of control, Mr. Ainsworth is entitled to 24 months of Mr. Ainsworth's then annual salary and 24 months of Mr. Ainsworth highest monthly bonus, which is calculated by dividing by twelve the highest Annual Bonus over the last three completed fiscal years.

Under the terms of the Ainsworth Agreement, Mr. Ainsworth is eligible to receive an annual performance bonus and/or special bonus (collectively, the "**Annual Bonus**") to be set by the Board. The performance bonus will be set at 50% of Mr. Ainsworth's then annual salary, and may be adjusted based on Mr. Ainsworth's performance during the year.

The Company entered into a consulting agreement with Marlis Yassin on February 4, 2021 (the "**Yassin Agreement**"). Pursuant to the Yassin Agreement, Ms. Yassin is entitled to 3 months of salary in the event of a termination without cause or in the event of termination upon a change of control of the Company.

Under the terms of the Yassin Agreement, Ms. Yassin is eligible to receive performance bonuses based on the satisfaction of performance milestones established by the Board from time-to-time.

### **Compensation of Directors**

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board will consider Awards to Directors under the proposed Omnibus Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Awards. Other than the Current Plan and the proposed Omnibus Plan as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

### **Compensation of NEOs**

Compensation of NEOs is reviewed annually and determined by the Board.

The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

### **Elements of NEO Compensation**

As discussed above and subsequent to Shareholder and regulatory approval, the Company will utilize the proposed Omnibus Plan to motivate NEOs by providing them with the opportunity, through Awards, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Awards to NEOs. Other than the Current Plan and the proposed Omnibus Plan as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for NEOs.

### **Pension Plan Benefits**

No pension, retirement, or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

### **Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of June 30, 2024:

<b>Equity Compensation Plan Information</b>			
<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup></b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights <sup>(2)</sup></b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> <b>(c)</b>
Equity compensation plans approved by securityholders	11,975,000	0.27	1,056,562 <sup>(3)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	11,975,000	0.27	1,056,562

- (1) The number of Shares issuable at any time under the Current Plan and any other security-based compensation arrangements shall not exceed 10% of the issued and outstanding Shares.
- (2) The weighted average exercise price of the outstanding options, warrants and rights is calculated based on the weighted average exercise price of the outstanding options, warrants and rights as at June 30, 2024.
- (3) Based on 130,315,625 Shares issued and outstanding as at June 30, 2024.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers, employees of the Company or its subsidiaries, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company or its subsidiaries since the beginning of the last completed financial year of the Company.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as set out in this Circular, or in the Company's Financial Statements and related management discussion and analysis ("**MD&A**") filed pursuant to applicable Canadian provincial securities laws and which are available on SEDAR+, no person who has been a director or executive officer of the Company, nor any proposed nominee for director of the Company, nor any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the Company's last completed financial year which has materially affected or would materially affect the Company or its subsidiaries.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Financial Statements and MD&A may be obtained without charge upon request from the Company at 907-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3. Financial information is provided in the Company's Financial Statements and MD&A for its most recently completed financial year.

#### **DIRECTOR APPROVAL**

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

**DATED** this 4<sup>th</sup> day of November, 2024.

**DISTRICT METALS CORP.**

*"Garrett Ainsworth"*

**Garrett Ainsworth**  
**President, CEO and Director**

**SCHEDULE "A"**  
**Omnibus Plan**

**DISTRICT METALS CORP.  
OMNIBUS INCENTIVE PLAN**

District Metals Corp. (the “**Company**”) hereby establishes an omnibus incentive plan for directors, officers, key employees and Consultants of the Company and any of its Subsidiaries.

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Definitions.**

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Account**” means an account maintained for each Participant on the books of the Company which will be credited with Awards in accordance with the terms of this Plan;

“**Affiliate**” has the meaning ascribed thereto in TSXV Policy 1.1;

“**Annual Base Compensation**” means an annual compensation amount payable to directors and executive officers, as established from time to time by the Board;

“**Award**” means any of an Option, DSU, or RSU granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Company (including the Company’s insider trading policy), securities of the Company may not be traded by certain Persons designated by the Company;

“**Board**” has the meaning ascribed thereto in Section 2.2(1);

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario or Vancouver, British Columbia for the transaction of banking business;

“**Cash Equivalent**” means the amount of money equal to the Market Value multiplied by the number of vested RSUs or DSUs, as applicable, in the Participant’s Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the Filing Date, as applicable;

“**Cashless Exercise Right**” has the meaning ascribed thereto in Section 3.6(3);

“**Cause**” has the meaning ascribed thereto in Section 6.2(1);

“**Change of Control**” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires for the first time the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the exercise or settlement of options or

other securities granted by the Company under any of the Company's equity incentive plans;

- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (iii) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its wholly-owned Subsidiaries;
- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);
- (v) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent;

**"Company"** means District Metals Corp., a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

**"Consultant"** means, in relation to the Company, an individual (other than a director, officer or employee of the Company or of any of its Subsidiaries) or corporation that: (a)

is engaged to provide on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to any of its Subsidiaries, other than services provided in relation to a Distribution (as such term is defined in TSXV Policy 1.1); (b) provides the services under a written contract between the Company or any of its Subsidiaries and the individual or the corporation, as the case may be; and (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its Subsidiaries;

**“Consulting Agreement”** means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and such Participant;

**“Deferred Payment Date”** means for a Participant the date after the RSU Vesting Determination Date, but no later than the Restricted Period, in respect of RSUs which date is the earlier of (a) the date which the Participant elected to defer receipt of the underlying Shares in accordance with Section 4.4; and (b) the Participant’s Termination Date;

**“Dividend Equivalent”** means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant’s Account;

**“DSU”** or **“Deferred Share Unit”** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in Article 5 and subject to the terms and conditions of this Plan;

**“DSU Agreement”** means a document evidencing the grant of DSUs and the terms and conditions thereof;

**“DSU Settlement Amount”** means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

**“Effective Date”** means the effective date of the Plan as provided in Section 8.11;

**“Eligibility Date”** the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Company by the insurance company providing such long-term disability benefits);

**“Eligible Participants”** means any director, officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition shall be limited to directors of the Company;

**“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Company or a Subsidiary and such Participant;

**“Exercise Notice”** means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

**“Filing Date”** has the meaning set out in Section 5.5(1), as applicable;

**“Grant Agreement”** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, an RSU Agreement, an Employment Agreement or a Consulting Agreement;

**“Incentive Stock Option”** or **“ISO”** means an Option that is granted to a U.S. Participant, as described in Section 3.8;

**“Insider”** has the meaning set out in TSXV Policy 1.1;

**“Market Value”** means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on a Stock Exchange, the volume weighted average trading price of the Shares on such Stock Exchange for the five trading days immediately preceding the relevant time as it relates to an Award, provided that it is not less than the “Discounted Market Price” (within the meaning of the policies of the TSX Venture Exchange), in which case it shall be the Discounted Market Price; or (ii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

**“Option”** means an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof, and includes an ISO;

**“Option Agreement”** means a document evidencing the grant of Options and the terms and conditions thereof;

**“Option Price”** has the meaning ascribed thereto in Section 3.2;

**“Option Term”** has the meaning ascribed thereto in Section 3.4;

**“Outstanding Issue”** means the number of Shares that are issued and outstanding, on a non-diluted basis;

**“Participants”** means Eligible Participants that are granted Awards under the Plan;

**“Performance Criteria”** means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

**“Performance Period”** means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

**“Person”** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**“Plan”** means this Omnibus Incentive Plan, including any amendments or supplements hereto made after the Effective Date;

**“Prior Plan”** means the stock option plan of the Company in effect immediately prior to the Effective Date;

**“Restricted Period”** means the period determined by the Board pursuant to Section 4.3;

**“RSU”** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 4 and subject to the terms and conditions of this Plan;

**“RSU Agreement”** means a document evidencing the grant of RSUs and the terms and conditions thereof;

**“RSU Settlement Date”** has the meaning determined in Section 4.8(1);

**“RSU Vesting Determination Date”** has the meaning described thereto in Section 4.7;

**“Shares”** means the common shares in the share capital of the Company;

**“Share Compensation Arrangement”** means a stock option, stock option plan, deferred share unit, deferred share unit plan, restricted share unit, restricted share unit plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more employees, directors, officers, Insiders, or Consultants of the Company or a Subsidiary including a share purchase from treasury by an employee, director, officer, Insider, or Consultant which is financially assisted by the Company or a Subsidiary by way of a loan, guarantee or otherwise, any of which will only be adopted to the extent permitted by the policies of the TSX Venture Exchange while the Shares are listed for trading on the TSX Venture Exchange; provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not “Share Compensation Arrangements” for the purposes of this Plan;

**“Stock Exchange”** means the TSX Venture Exchange (or any other stock exchange on which the Shares are then listed and trading, if the Shares are not listed and trading on the TSX Venture Exchange as designated by the Board from time to time);

**“Subsidiary”** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

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

**“Termination”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is neither a member of the Board nor a director of the Company or any of its Subsidiaries;

**“Termination Date”** means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries, and (ii) in the event of the termination of the Participant’s employment, or position as an executive or officer of the Company or a Subsidiary, or as a Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, without regard to any period of notice, pay in lieu of notice, or severance that may follow the Termination Date pursuant to the terms of the Participant’s employment or services agreement (if any), the applicable employment standards legislation or the common law (if applicable), and regardless of whether the Termination was lawful or unlawful, except as may otherwise be required to meet minimum standards prescribed by the applicable standards legislation;

**“Termination of Service”** means that a Participant has ceased to be an Eligible Participant, and for greater certainty, for those Eligible Participants who are not solely

directors of the Company, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or has ceased providing ongoing services as a Consultant to the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is neither a member of the Board nor a director of the Company or any of its Subsidiaries;

**“TSXV Policy 1.1”** means Policy 1.1 – *Interpretation* of the TSX Venture Exchange;

**“TSXV Policy 4.4”** means Policy 4.4 – *Security Based Compensation* of the TSX Venture Exchange;

**“TSXV Share Limits”** means: (i) the maximum number of Shares issuable to any one Participant under Awards in any 12-month period shall not exceed 5% of the Outstanding Issue (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of Shares issuable to any one Consultant in any 12-month period shall not exceed 2% of the Outstanding Issue; and (iii) Investor Relations Service Providers (within the meaning of TSXV Policy 4.4) (A) may only be granted Options under an Award, (B) the maximum number of Shares issuable to all Investor Relations Service Providers under any Options awarded shall not exceed 2% of the Outstanding Issue in any 12-month period, in each case measured as of the date of grant of an Award, and (C) may not be granted a Cashless Exercise Right;

**“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

**“U.S. Participant”** means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended;

**“U.S. Tax Code”** means the United States Internal Revenue Code of 1986, as amended; and

**“Vested Awards”** has the meaning described thereto in Section 6.2(5).

## **Section 1.2 Interpretation.**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (2) The division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and *vice versa* and words importing any gender include any other gender.
- (4) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions

“Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.

- (5) Unless otherwise specified in the Participant’s Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

### **Section 2.1 Purpose of the Plan.**

The purpose of the Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Company’s welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and
- (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

### **Section 2.2 Implementation and Administration of the Plan.**

- (1) The Plan shall be administered and interpreted by the board of directors of the Company (the “**Board**”) or, if the Board by resolution so decides, by a committee appointed by the Board. If such committee is appointed for this purpose, all references to the “Board” herein will be deemed references to such committee. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 7 and any applicable rules of the Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may

deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Eligible Participants.

- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder 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 Award granted hereunder. Members of the Board and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

### **Section 2.3 Participation in this Plan.**

- (1) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with such Participant's own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or the Participant's estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.
- (3) Unless otherwise determined by the Board and subject to Policy 4.4 of the TSX Venture Exchange, the Company shall not offer financial assistance to any Participant in regard to the exercise of any Award granted under this Plan.

- (4) The Board may also require that any Eligible Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws.
- (5) In connection with an Award to be granted to any Eligible Participant, it shall be the responsibility of such person and the Company to confirm that such person is a *bona fide* Eligible Participant for the purposes of participation under the Plan.

#### **Section 2.4 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to Article 7, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares from treasury.
- (2) The maximum number of Shares issuable pursuant to outstanding Awards under this Plan shall not exceed 10% of the total number of Shares outstanding at any given time, less any Shares reserved for issuance under the Plan.
- (3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (4) The Plan is an “evergreen” plan, as Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

#### **Section 2.5 Limits with Respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.**

- (1) The maximum number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement shall not exceed the limits set out in Section 2.4(2).
- (2) The maximum number of Shares issuable to Eligible Participants who are Insiders (as a group), at any time, under this Plan and any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Issue at any point in time, unless requisite disinterested shareholder approval has been obtained to exceed.
- (3) The maximum number of Shares issuable to Eligible Participants who are Insiders (as a group), within any one year period, under this Plan and any other Share Compensation Arrangement, shall not exceed 10% of the Outstanding Issue at any point in time, unless requisite disinterested shareholder approval has been obtained to exceed.
- (4) Subject to the policies of the Stock Exchange, any Shares issued or Award granted pursuant to the Plan, or securities issued under any other Share Compensation Arrangement prior to a Participant becoming an Insider, shall be included for the purposes of the limits set out in Section 2.5(2) and Section 2.5(3).
- (5) Subject to the policies of the Stock Exchange, in the event of the death of a Participant, the legal representative, liquidator, executor or administrator, as the case may be, of the

estate of the Participant is not entitled to make a claim in respect of an Award granted to such Participant after the first anniversary of the death of such Participant.

- (6) The TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSX Venture Exchange.

### **Section 2.6 Granting of Awards.**

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any Stock Exchange or under any law or regulation of any jurisdiction, or the consent or approval of any Stock Exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award 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 Company to apply for or to obtain such listing, registration, qualification, consent or approval.

### **Section 2.7 TSX Venture Exchange Vesting Restrictions.**

While the Shares are listed for trading on the TSX Venture Exchange:

- (a) no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an Eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and
- (b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange, and may not be accelerated without prior approval of the TSX Venture Exchange.

### **Section 2.8 Relationship with Prior Plan.**

The Plan supersedes and replaces the Prior Plan, which are terminated and of no force or effect as of the Effective Date. All securities granted under the Prior Plan shall continue to exist and shall remain outstanding in accordance with their terms, provided that from the Effective Date, such securities shall be governed by this Plan.

## **ARTICLE 3 OPTIONS**

### **Section 3.1 Nature of Options.**

An Option is an option granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

### **Section 3.2 Option Awards.**

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of the Stock Exchange.

### **Section 3.3 Option Price.**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

### **Section 3.4 Option Term.**

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten years from the date the Option is granted (the “**Option Term**”).
- (2) Should the expiration date for an Option fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black-Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan.

### **Section 3.5 Exercise of Options.**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with any insider trading policies implemented by the Company.

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Corporate Secretary of the Company (or the individual that the Corporate Secretary of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 8.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:

- (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.
- (3) Subject to the rules and policies of the Stock Exchange (including the TSXV Share Limits, as applicable), the Board may, in its discretion and at any time, determine to grant a Participant the right, when entitled to exercise Options, to deal with such Options on a “cashless exercise” basis (the “**Cashless Exercise Right**”). The Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to exercise such Options by notice in writing to the Company and receive, without payment of any cash other than pursuant to Section 8.2, that number of Shares, disregarding fractions, that is equal to the quotient obtained by dividing:
- (4) the product of the number of Options being exercised multiplied by the difference between the Market Value on the day immediately prior to the exercise of the Cashless Exercise Right and the Option Price; and
  - (5) the Market Price on the day immediately prior to the exercise of the Cashless Exercise Right.
- (6) In the event the Board grants and the Participant exercises Options pursuant to a Cashless Exercise Right:
- (a) the Company shall make an election pursuant to subsection 110(1.1) of the Tax Act; and
  - (b) the number of Options exercised, and not the number of Shares issued by the Company pursuant to such Cashless Exercise Right shall be included in calculating the limitation in Section 2.4 and Section 2.5 and the TSXV Share Limits, as applicable.

### **Section 3.7 Option Agreements.**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

### **Section 3.8 Incentive Stock Options.**

- (1) ISOs are available only for Participants who are employees of the Company, or a “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424(e) and

(f) of the U.S. Tax Code), on the date the Option is granted. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this Section 3.8(1). A Participant's employment will be deemed to continue during period of sick leave, military leave or other *bona fide* leave of absence, provided the leave of absence does not exceed three months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing in this Section 3.8(1) will be deemed to extend the original expiry date of an Option.

- (2) A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares possessing more than 10% of the total combined voting power of all classes of stock of the Company may not be granted an Option that is an ISO unless the Option Price is at least 110% of the Market Value of the Shares, as of the date of the grant, and the Option is not exercisable after the expiration of five years from the date of grant.
- (3) To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds US\$100,000, the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Option Agreement.

## **ARTICLE 4 RESTRICTED SHARE UNITS**

### **Section 4.1 Nature of RSUs.**

A "Restricted Share Unit" (or "**RSU**") is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. Unless otherwise determined by the Board in its discretion, the Award of an RSU is considered a bonus for services rendered in the calendar year in which the Award is made or as an incentive for future services rendered to the Company or its Subsidiaries.

### **Section 4.2 RSU Awards.**

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restricted Period of such RSUs, (provided, however, that no such Restricted Period shall exceed the three years referenced in Section 4.3), and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.

- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restricted Period. For greater certainty, RSUs that are subject to Performance Criteria may not become fully vested by the last day of the Restricted Period.

#### **Section 4.3 Restricted Period.**

Subject to Section 2.7(a), the applicable restricted period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than the 31<sup>st</sup> of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred (the “**Restricted Period**”). All unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.7) and, in any event: all unvested RSUs shall be cancelled no later than the last day of the Restricted Period.

#### **Section 4.4 Deferred Payment Date.**

Participants who are residents of Canada for the purposes of the Tax Act and not a U.S. Participant may elect to defer to receive all or any part of the Shares, the Cash Equivalent or a combination thereof, underlying RSUs until one or more Deferred Payment Dates, which dates shall not extend beyond the Restricted Period of the RSUs. Any other Participants may not elect a Deferred Payment Date.

#### **Section 4.5 Prior Notice of Deferred Payment Date.**

Participants who elect to set a Deferred Payment Date must give the Company written notice of the Deferred Payment Date(s) not later than thirty days prior to the RSU Vesting Determination Date. For certainty, Participants shall not be permitted to give any such notice after the day which is thirty days prior to the expiration of the RSU Vesting Determination Date and a notice once given may not be changed or revoked.

#### **Section 4.6 Termination after Restricted Period.**

In the event of Termination of the Participant following the RSU Vesting Determination Date and prior to a Deferred Payment Date (as elected by a Participant who is not a U.S. Participant), the Participant shall be entitled to receive, and the Company shall issue forthwith, Shares, the Cash Equivalent or a combination thereof in satisfaction of the RSUs then held by the Participant.

#### **Section 4.7 RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU have been met (the “**RSU Vesting Determination Date**”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the 15<sup>th</sup> of December of the calendar year which commences three years after the calendar year in which the performance of services for which such RSU is granted, occurred. Notwithstanding the foregoing, for any U.S. Participant, the RSU Vesting Determination Date shall occur no later than the 15<sup>th</sup> of March of the calendar year following the end of the Performance Period.

#### **Section 4.8 Settlement of RSUs.**

- (1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten Business Days following their: (i) RSU Vesting Determination Date, or (ii) Deferred Payment Date (the “**RSU Settlement Date**”).
- (2) Settlement of RSUs shall take place promptly following the RSU Settlement Date, and shall take the form determined by the Board, in its sole discretion. Settlement of RSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of RSUs for Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board):
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) Notwithstanding the foregoing, for any U.S. Participant, the RSU Settlement Date and delivery of Shares or Cash Equivalent, if any, shall each occur no later than the 15<sup>th</sup> of March of the calendar year following the end of the Performance Period.

#### **Section 4.9 Determination of Amounts.**

- (1) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.8, such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant’s Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.8, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant’s Account to settle in Shares.

#### **Section 4.10 RSU Agreements.**

RSUs shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

#### **Section 4.11 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date (including RSUs in which the RSU Vesting Determination Date has been met, but the Shares have not been issued due to a Deferred Payment Date). However, to the extent that Dividend Equivalents awarded under this Section 4.11 entitle Participants to receive additional RSUs, the maximum aggregate number of Shares that might possibly be issued to satisfy this obligation must be included in the grant limits in Section 2.4(2), clause (i) and (ii) of the defined term "TSXV Share Limits" and Section 2.5(2) and Section 2.5(3), and if the Company does not have a sufficient number of Shares available under this Plan to satisfy its obligations in respect of such Dividend Equivalents it shall make payments in cash.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

### **ARTICLE 5 DEFERRED SHARE UNITS**

#### **Section 5.1 Nature of DSUs.**

A "Deferred Share Unit" (or "**DSU**") is an Award attributable to a Participant's duties as a director of the Company and that, upon settlement, entitles the recipient Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

#### **Section 5.2 DSU Awards.**

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Plan, (ii) fix the number of DSU Awards to be granted to each Eligible Participant, and (iii) fix the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof.

#### **Section 5.3 Payment of Annual Base Compensation.**

- (1) Subject to the Board determining otherwise, each Participant may elect to receive in DSUs any portion or all of their Annual Base Compensation by completing and delivering a written election to the Company on or before the 5<sup>th</sup> day of November of the calendar year

ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.

- (2) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the U.S. Tax Code, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than 30 days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.
- (3) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "**Grant Date**").
- (4) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Value of the Shares. Fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

#### **Section 5.4 Additional Deferred Share Units.**

In addition to DSUs granted pursuant to Section 5.3, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services they render to the Company or its Subsidiaries. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

#### **Section 5.5 Settlement of DSUs.**

- (1) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before the 15<sup>th</sup> day of December of the first calendar year commencing after the date of the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that 15<sup>th</sup> day of December, the Participant will be deemed to have filed the redemption notice on the 15<sup>th</sup> day of December (the date of the filing or deemed filing of the redemption notice, the "**Filing Date**"). In all cases for each U.S. Participant, the U.S. Participant will be deemed to have filed the redemption notice on the date of their Termination of Service.
- (2) The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the end of the first calendar year commencing after the Participant's Termination of Service. In all cases for each U.S. Participant, the Company will make payment of the DSU Settlement Amount as soon as

reasonably possible following the Filing Date and in any event no later than the 1<sup>st</sup> day of March of the calendar year following Termination of Service.

- (3) In the event of the death of a Participant, the Company will, subject to Section 8.2, make payment of the DSU Settlement Amount within two months of the Participant's death to or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the Settlement Amount, the Filing Date shall be the date of the Participant's death.
- (4) Subject to Section 2.7(a) and the terms of the DSU Agreement, including the satisfaction or, at the discretion of the Board, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing Date, and take the form as determined by the Board, in its sole discretion. Settlement of DSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of DSUs for Shares:
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

#### **Section 5.6 Determination of DSU Settlement Amount.**

- (1) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Value on the Filing Date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 5.7 DSU Agreements.**

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting

deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

### **Section 5.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. However, to the extent that Dividend Equivalents awarded under this Section 5.8 entitle Participants to receive additional DSUs, the maximum aggregate number of Shares that might possibly be issued to satisfy this obligation must be included in the grant limits in Section 2.4(2), clause (i) and (ii) of the defined term "TSXV Share Limits" and Section 2.5(2) and Section 2.5(3), and if the Company does not have a sufficient number of Shares available under this Plan to satisfy its obligations in respect of such Dividend Equivalents it shall make payments in cash.

## **ARTICLE 6 GENERAL CONDITIONS**

### **Section 6.1 General Conditions Applicable to Awards.**

Each Award, as applicable, shall be subject to the following conditions:

- (1) Vesting Period. Subject to Section 2.7(a), each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award; and (b) the Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) Employment. Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Company or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) Grant of Awards. Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Company or any Subsidiary.
- (4) Rights as a Shareholder. Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award

until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.11 and Section 5.8, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.

- (5) Conformity to Plan. In the event that an Award is granted, or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) Non-Transferrable Awards. Each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- (7) Participant's Entitlement. Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Company ceasing to be a Subsidiary of the Company, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Company and not of the Company itself, whether or not then exercisable, shall automatically terminate on the date of such change.

## **Section 6.2 General Conditions Applicable to Options.**

Each Option shall be subject to the following conditions:

- (1) Termination for Cause. Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. "**Cause**" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination.
- (2) Termination not for Cause. Upon a Participant ceasing to be an Eligible Participant as a result of such Participant's employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of 90 days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire. Notwithstanding the foregoing, any vested Option must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an Eligible Participant under this Plan.
- (3) Resignation. Upon a Participant ceasing to be an Eligible Participant as a result of such Participant's resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation, and (ii) unless otherwise determined by the Board, in its sole discretion, each vested Option granted to such Participant will cease to be exercisable on the earlier of the 90 days following the Termination Date and the expiry date of the Option set forth in the

Grant Agreement, after which the Option will expire. Notwithstanding the foregoing, any vested Option must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an Eligible Participant under this Plan.

- (4) Permanent Disability/Retirement. Upon a Participant ceasing to be an Eligible Participant by reason of retirement (in accordance with any retirement policy implemented by the Company from time to time) or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the 90 days from the date of retirement or the date on which the Participant ceases such Participant's employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (5) Death. Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the "**Vested Awards**") on the date of such Participant's death. Such Vested Awards shall only be exercisable within 12 months after the Participant's death or prior to the expiration of the original term of the Options whichever occurs earlier.

### **Section 6.3 General Conditions Applicable to RSUs.**

Each RSU shall be subject to the following conditions:

- (1) Termination for Cause and Resignation. Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of such Participant's resignation from the Company or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.
- (2) Death or Termination. Upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) such Participant's employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability, or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant's Account as of such date relating to a Restricted Period in progress shall be terminated, and the Participant shall not receive any payment in lieu of cancelled RSUs.
- (3) General. For greater certainty, where a Participant's employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment provided such distribution or payment is made within a reasonable period, not exceeding 12 months, following termination of such Participant's employment or service relationship.

## **ARTICLE 7 ADJUSTMENTS AND AMENDMENTS**

### **Section 7.1 Adjustment to Shares.**

In the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Company or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number or kind of Shares reserved for issuance pursuant to the Plan.

### **Section 7.2 Change of Control.**

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 7.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control.
- (2) If the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control, (i) a Participant who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or Consulting Agreement terminated, or the Participant is constructively dismissed, or (ii) a director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out notwithstanding the RSU Vesting Determination Date and any Deferred Payment Date, and all unvested Options shall vest and become exercisable, provided that any acceleration of the vesting of Options issued to any Investor Relations Service Provider may not be accelerated without the prior approval of the TSX Venture Exchange. Any Options that become exercisable pursuant to this Section 7.2(2) shall remain open for exercise until the earlier of their expiry date as set out in the Grant Agreement and the date that is 90 days after such termination or dismissal.
- (3) Notwithstanding any other provision of this Plan, this Section 7.2 shall not apply with respect to any DSUs held by a Participant where such DSUs are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

- (4) Notwithstanding any other provision of this Plan, for all U.S. Participants, “Change of Control” as defined herein shall be as “Change in Control” is defined in 409A of the U.S. Tax Code.

### **Section 7.3 Amendment or Discontinuance of the Plan.**

- (1) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (2) The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company make the following types of amendments to this Plan or any Award, subject to any regulatory or Stock Exchange requirement at the time of such amendment:
  - (a) amendments of a “housekeeping” nature, including any amendment that is necessary to: (i) clarify an existing provision of the Plan; correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan; (iii) comply with applicable law or the requirements of the Stock Exchange or any other regulatory body; or (iv) correct any grammatical or typographical errors in the Plan; and
  - (b) amendments regarding the administration of the Plan.
- (3) With approval of the shareholders of the Company (including disinterested shareholder approval, as applicable) and subject to any regulatory or Stock Exchange requirement at the time of such amendment, the Board may amend this Plan, or any Award, including amendments to the provisions of this Plan that:
  - (a) amend the definition of an Eligible Participant under the Plan;
  - (b) increase the maximum number of Shares issuable under the Plan (either as a fixed number or fixed percentage of the Outstanding Issue), except in the event of an adjustment pursuant to Article 7;
  - (c) increase the maximum number of Shares that may be (A) issuable to Insiders at any time, or (B) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7;
  - (d) amend the method for determining the Option Price;
  - (e) extend the maximum term of any Award;
  - (f) amend the expiry and termination provisions applicable to an Award; and
  - (g) amend the amendment provisions of the Plan.
- (4) While the Shares are listed for trading on the TSX Venture Exchange, disinterested shareholder approval will be required for any decrease in the Option Price or extension of the Option Term for any Options held by Insiders;

- (5) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

#### **Section 7.4 TSX Venture Exchange Approval of Adjustments.**

While the Shares are listed for trading on the TSX Venture Exchange, any adjustment, other than in connection with a subdivision of the Shares into a greater number of Shares pursuant to Section 7.1(a) or a consolidation of Shares into a lesser number of Shares pursuant to Section 7.1(b), to any Award pursuant to the provisions hereof is subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

### **ARTICLE 8 MISCELLANEOUS**

#### **Section 8.1 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan, including for the purposes of making secondary market purchases of Shares for delivery on settlement of an Award, if applicable, and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

#### **Section 8.2 Tax Withholding.**

Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, subject to compliance with the policies of the TSX Venture Exchange, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 8.1, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.

#### **Section 8.3 US Tax Compliance.**

- (1) DSU Awards granted to U.S. Participants are intended to be comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("**Section 409A**"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.
- (2) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a "separation from service," as defined under Section 409A, provided,

however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then “termination of employment” will be interpreted to only include a complete termination of the employment relationship.

- (3) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant’s separation from service, and at the time of the separation from service the Participant is subject to the U.S. Tax Code and is considered a “specified employee” (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month period, to the extent necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service and provided that such treatment is not inconsistent with the policies of the TSX Venture Exchange.

#### **Section 8.4 Clawback.**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or Stock Exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or Stock Exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or Stock Exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which such Participant is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable Stock Exchange listing standards, including and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other person, other than the Participant and such Participant’s permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or such Participant’s permitted transferees, if any, that may arise in connection with this Section 8.4.

#### **Section 8.5 Securities Law Compliance.**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company’s obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or

deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.

- (2) No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:

THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

- (3) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (4) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

#### **Section 8.6 Reorganization of the Company.**

The existence of any Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company 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.

#### **Section 8.7 Quotation of Shares.**

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

#### **Section 8.8 No Fractional Shares.**

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of such Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive, as the case may be, the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

#### **Section 8.9 Governing Laws.**

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 laws of Canada applicable therein.

#### **Section 8.10 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.

#### **Section 8.11 Effective Date of the Plan.**

The Plan was adopted by the Board on November 4, 2024 and approved by the shareholders of the Company on December [12], 2024, being the effective date of the Plan.

**SCHEDULE "B"**  
**Change of Auditor Reporting Package**

**DISTRICT METALS CORP.**  
907 – 1030 West Georgia Street  
Vancouver, BC V6E 2Y3

**NOTICE OF CHANGE OF AUDITOR**

TO: Alberta Securities Commission  
British Columbia Securities Commission

AND TO: Smythe LLP, Chartered Professional Accountants

AND TO: Davidson & Company LLP, Chartered Professional Accountants

**TAKE NOTICE THAT** pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), **District Metals Corp.** (the “**Company**”) hereby provides the following change of auditor notice:

1. On May 22, 2024, Smythe LLP (“**Smythe**”) of Vancouver, British Columbia, the current auditor for the Company, resigned as the Company’s auditor;
2. To fill the vacancy created by the resignation of Smythe, the Company has appointed Davidson & Company LLP, Chartered Professional Accountants (“**Davidson**”) of Vancouver, British Columbia, as auditor of the Company to audit the financial statements of the Company, commencing with the financial year ending June 30, 2024, and to hold such position until the close of the next annual meeting of shareholders of the Company;
3. The resignation of Smythe was considered and approved by the board of directors of the Company (the “**Board**”);
4. The appointment of Davidson was considered and approved by the Board;
5. There were no modifications of opinion by Smythe in the auditors’ reports of the two most recently completed fiscal years ended June 30, 2023 and 2022; and
6. The Board is of the opinion that there were no “reportable events” as defined in NI 51-102, which occurred in connection with the audit of the two most recently completed fiscal years or for any period subsequent to the most recently completed fiscal period for which an auditor’s report was issued.

Dated as of May 22, 2024.

**DISTRICT METALS CORP.**

/s/ “*Marlis Yassin*”

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**MARLIS YASSIN**  
Chief Financial Officer

May 22, 2024

**Private and Confidential**

British Columbia Securities Commission  
Alberta Securities Commission

Dear Sirs/Mesdames:

**RE: DISTRICT METALS CORP. (THE "COMPANY")  
CHANGE OF AUDITOR**

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We are writing in accordance with Section 4.11(5)(a) of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"). We wish to confirm that we have read the Notice of Change of Auditor of the Company dated May 22, 2024 and that based on our current knowledge we are in agreement with the information contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads 'Smythe LLP'.

Chartered Professional Accountants

**VANCOUVER**

1700-475 Howe St  
Vancouver, BC V6C 2B3  
T: 604 687 1231  
F: 604 688 4675

**LANGLEY**

600-19933 88 Ave  
Langley, BC V2Y 4K5  
T: 604 282 3600  
F: 604 357 1376

**NANAIMO**

201-1825 Bowen Rd  
Nanaimo, BC V9S 1H1  
T: 250 755 2111  
F: 250 984 0886

May 23, 2024

**British Columbia Securities Commission**  
PO Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC  
V7Y 1L2

**Alberta Securities Commission**  
600, 250 – 5<sup>th</sup> Street SW  
Calgary, AB  
T2P 0R4

Dear Sirs / Mesdames:

**Re: District Metals Corp. (the "Company")**  
**Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated May 22, 2024 (the "Notice"), and, based on our knowledge of such information at this time, we agree with the information contained in the Notice pertaining to our firm.

Yours very truly,



**DAVIDSON & COMPANY LLP**  
Chartered Professional Accountants

**cc: TSX Venture Exchange**



**SCHEDULE "C"**  
**Audit Committee Charter**

## SCHEDULE "C"



### DISTRICT METALS CORP.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### 1. PURPOSE

The Audit Committee (the "**Committee**") is a standing committee of the Board of Directors (the "**Board**") of District Metals Corp. ("**District**" or the "**Company**"), with the responsibility, under the governing legislation of District, to review the financial statements, accounting policies and reporting procedures of District.

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing (i) the financial reports and other financial information provided by District to the public or to any governmental body, (ii) the systems of internal controls of District regarding finance, accounting and legal compliance that management and the Board have established, and (iii) the auditing, accounting and financial reporting processes of District generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of District.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of District.
- Monitor the independence and performance of the auditor of District (the "**Auditor**") and the internal audit function of District.
- Provide an open avenue of communication among the Auditor, financial and senior management and the Board.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

##### 2. COMPOSITION

- The Committee shall be comprised of two or more directors as determined by the Board. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of District are listed. In particular, the composition of the Committee shall be in accordance with Multilateral Instrument 52-110 – *Audit Committees*, and the required qualifications and experience of the members of the Committee, subject to any exemptions or other relief that may be granted from time to time.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a "*financial expert*" in accordance with applicable laws and all requirements of the stock exchanges

on which shares of District are listed.

- All members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected.
- Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may determine from time to time.

### 3. MEETINGS

- The Committee may appoint one of its members to act as Chair of the Committee. The Chair will appoint a secretary who will keep minutes of all meetings (the "**Secretary**"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chair.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities, but in no event will the Committee meet less than once per year. The Committee shall meet at least once annually with the Auditor. As part of its duty to foster open communication, the Committee should meet at least annually with management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these parties believe should be discussed privately.
- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chair, unless otherwise provided for in the Company's Articles or as otherwise determined by resolution of the Board.
- The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of District, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities. They should also be requested or required to attend meetings of the Committee and make presentations to the Committee as appropriate.
- Subject to the provisions of the governing legislation of District and applicable regulations the Chair of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chair shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

#### **4. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall:

##### **Documents/Reports Review**

- Review and recommend for approval to the Board of District any revisions or updates to this Charter. This review should be done periodically, but at least annually, as conditions dictate.
- Review the interim unaudited quarterly financial statements and the annual audited financial statements, and the related press releases, if applicable, of District and report on them to the Board.
- Satisfy itself, on behalf of the Board, that the unaudited quarterly financial statements and annual audited financial statements of District are fairly presented both in accordance with generally accepted accounting principles, and recommend to the Board whether the quarterly and annual financial statements should be approved.
- Satisfy itself, on behalf of the Board, that the information contained in the quarterly financial statements of District, annual report to shareholders and similar documentation required pursuant to the laws of Canada does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.
- Review any reports or other financial information of District submitted to the public, or any governmental body, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve all related party transactions as defined in the governing legislation of District.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of District and its subsidiaries; (ii) to discuss such accounts and records and any matters relating to the financial position of District with the officers and auditors of District and its subsidiaries and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.
- Permit the Board to refer to the Committee such matters and questions relating to the financial position of District and its affiliates or the reporting related to it as the Board may from time to time see fit.

##### **Independent Auditor**

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of District upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.
- Act as the Auditor's channel of direct communication to District. In this regard, the Committee shall, among other things, receive all reports from the Auditor of District, including timely reports of:

1. all critical accounting policies and practices to be used;
  2. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of District, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of District; and
  3. other material written communications between the Auditor and the management of District, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board that the Auditor is "*independent*" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and District, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
  - Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
  - Review the performance of the Auditor and make recommendations to the Board as to whether or not to continue to engage the Auditor.
  - Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.
  - Satisfy itself, on behalf of the Board, that the internal audit function has been effectively carried out and that any matter which the Auditor wishes to bring to the attention of the Board has been addressed and that there are no "unresolved differences" with the Auditor.

### **Financial Reporting Process and Risk Management**

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of District to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of District.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of District and review and approve all significant changes to such policies.

- Satisfy itself, on behalf of the Board, that District has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of District and other "*risk management*" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of District, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of District and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by District regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of District as to concerns regarding questionable accounting or auditing.

### **Legal and Regulatory Compliance**

- Satisfy itself, on behalf of the Board, that all material statutory deductions have been withheld by District and remitted to the appropriate authorities.
- Without limiting its rights to engage counsel generally, review, with the principal legal external counsel of District, any legal matter that could have a significant impact on the financial statements of District.
- Satisfy itself, on behalf of the Board, that all regulatory compliance issues have been identified and addressed.

### **Budgets**

- Assist the Board in the review and approval of operational, capital and other budgets proposed by management.

### **General**

- Perform any other activities consistent with this Charter, the By-laws of District and governing law, as the Committee or the Board deem necessary or appropriate.

### **Effective date**

This Charter was implemented by the Board on October 10, 2020, and reviewed, updated and approved by the Board on June 20, 2024.