



## P2 GOLD INC.

### MANAGEMENT INFORMATION CIRCULAR

(containing information as at March 24, 2023 unless otherwise stated)

This Management Information Circular (“**Information Circular**”) is furnished by the management of **P2 Gold Inc.** (“P2 Gold” or the “**Company**”) in connection with the solicitation of proxies to be voted at the annual general and special meeting of the shareholders (“**Shareholders**”) of the Company (the “**Meeting**”) to be held at Suite 1100, 355 Burrard Street, Vancouver, British Columbia on May 12, 2023, at 11:30 a.m. PT. References in this Information Circular to the Meeting include any adjournment or adjournments thereof.

#### SOLICITATION OF PROXIES

The Company will bear its own cost of soliciting proxies. Proxies may be solicited by mail and the directors, officers and regular employees of the Company may solicit proxies personally, by telephone or facsimile. None of these individuals will receive any extra compensation for such efforts.

#### NOTICE AND ACCESS PROCESS

The Company has adopted the notice and access model (“**Notice and Access**”) provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the delivery of the Notice of Meeting, Information Circular, financial statements and management’s discussion and analysis (“**MD&A**”) for the years ended December 31, 2022 and 2021 (collectively, the “**Meeting Materials**”) to Shareholders for the Meeting. The Company has adopted this alternative means of delivery in order to reduce the volume of materials that must be physically mailed to Shareholders and to reduce its printing and mailing costs. Under Notice and Access, instead of receiving printed copies of the Meeting Materials, Shareholders receive a Notice and Access notification containing the Meeting date, location and purpose, as well as information on how they can access the Meeting Materials electronically. The Meeting Materials are available on the Company’s website at [www.p2gold.com/investors/agm-materials](http://www.p2gold.com/investors/agm-materials) and under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

Shareholders who receive a Notice and Access notification can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date of the filing of this Information Circular on SEDAR. Shareholders with questions about the Notice and Access system, or who would like to request printed copies of the Meeting Materials, should contact the Company’s Corporate Secretary by telephone at 778-731-1062 or email at [info@p2gold.com](mailto:info@p2gold.com). A request for printed copies which are required in advance of the Meeting should be made no later than May 1, 2023 in order to allow sufficient time for mailing.

## APPOINTMENT AND REVOCABILITY OF PROXIES

### **Voting**

Voting at the Meeting will be by a show of hands, each registered shareholder and each Proxyholder (representing a registered or unregistered shareholder) having one vote, unless a ballot is required or requested whereupon each such shareholder and Proxyholder is entitled to one vote for each common share of the Company (a “**Common Share**”) held or represented, respectively. Generally, in order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast thereon in person or by Proxy will be required.

### **Registered Shareholders**

Registered Shareholders who are eligible to vote, can vote their shares at the Meeting or by Proxy. Voting by Proxy is the easiest way for Registered Shareholders to cast their vote.

The persons named in the accompanying Proxy as Proxyholders are directors and/or officers of the Company. A shareholder has the right to appoint a person (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons named in the accompanying Proxy as Proxyholders. To exercise this right, the shareholder must insert the name of the shareholder’s nominee in the space provided in the accompanying Proxy or complete another appropriate form of Proxy permitted by law, and in either case send or deliver the completed Proxy to our transfer agent, Computershare as follows:

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

Alternatively, a shareholder can exercise their Proxy as follows:

3. By internet at: [www.investorvote.com](http://www.investorvote.com); or
4. By telephone at: 1-866-732-8683 (toll free). Please note that a shareholder cannot appoint anyone other than the directors and/or officers named on the Proxy form as their Proxyholders if the shareholder votes by telephone.

You will need your 15-digit control number found on your Proxy form to vote through the internet or by telephone.

In order to be valid and acted upon at the Meeting, the forms of Proxy as well as votes by internet and telephone must be received in each case not less than 48 hours (excluding weekends and holidays) before the time set for the holding of the Meeting or any adjournment or postponement thereof.

A shareholder completing the enclosed Proxy may indicate the manner in which the persons named in the Proxy are to vote with respect to any matter by marking an “X” in the appropriate space. On any poll required or requested, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Proxy, provided such directions are certain.

If a shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. In such instance, the Proxyholder, if nominated by management, intends to vote the Common Shares represented by the Proxy in favour of the motion.

The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting.

Any shareholder who executes and returns a Proxy may revoke it:

- (a) by depositing a written instrument signed by the shareholder or his, her or its attorney authorized in writing at Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, Attention: Proxy Department, at any time up to 2:30pm (Toronto time) on May 10, 2023 or 48 hours prior to the time of any adjournment thereof (excluding Saturdays, Sundays and holidays);
- (b) by depositing such written instrument with the Chair of the Meeting on the day of the Meeting or any adjournment thereof at any time prior to a vote being taken in reliance on such Proxy; or
- (c) in any other manner permitted by law.

**To be voted, proxies must be received by Computershare at any time prior to 11:30 a.m. PT on May 10, 2023 or 48 hours prior to the time of any adjournments of the Meeting (excluding Saturdays, Sundays and holidays).**

The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the registered shareholder on any ballot that may be called for and that, if the registered shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

### ***Non-Registered Shareholders***

One of the objectives of NI 54-101 is to assist non-registered shareholders to direct the voting of Common Shares that they own but are not registered in their names.

Your Common Shares may not be registered in your name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). If your Common Shares are registered in the name of an intermediary, you are a non-registered shareholder.

In accordance with NI 54-101, the Company has distributed copies of this Information Circular, the accompanying form of Proxy and Notice of Meeting, to intermediaries for distribution to non-registered shareholders. Unless you have waived your rights to receive these Proxy materials, intermediaries are required to deliver them to you as a non-registered shareholder of the Company and to seek your instructions as to how to vote your Common Shares.

Typically, a non-registered shareholder will be given a voting instruction form, which must be completed and signed by the non-registered shareholder in accordance with the instructions provided by the intermediary. In this case, you must follow these instructions and you cannot use the mechanisms described under the heading “Registered Shareholders” above.

Occasionally, a non-registered shareholder may be given a Proxy that has already been signed by the intermediary. This form of Proxy is restricted to the number of Common Shares owned by the non-registered shareholder but is otherwise not completed. This form of Proxy does not need to be signed by you. In this case, you can complete and deliver the Proxy as described above under the heading “Registered Shareholders”.

If a non-registered shareholder receives either a form of Proxy or a voting instruction form and wishes to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the non-registered shareholder should strike out the persons named in the form of Proxy as the Proxy holder and insert the non-registered shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions provided by the intermediary.

A non-registered shareholder may revoke a voting instruction or a waiver of the right to receive Proxy materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the intermediary at least seven days prior to the Meeting.

Non-registered shareholders should follow the instructions on the forms they receive and contact their intermediaries promptly if they need assistance.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and you have received these materials, your name, address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. Please return your voting instructions as specified in the request for voting instructions.

### **EXERCISE OF DISCRETION BY PROXIES**

If a ballot is required (for the reason described above under “Voting”) or called for by a shareholder or Proxyholder, all properly executed proxies, not previously revoked, will be voted in accordance with the instructions contained therein. If a shareholder wishes to confer a discretionary authority with respect to any matter, then the voting space respecting that matter should be left blank. In such instance, the Proxyholder, if nominated by management, intends to vote the Common Shares represented by the Proxy in favour of the passing of all the matters specified in the accompanying form of Proxy. If any other matter is brought before the Meeting, which is not presently anticipated, and is submitted to a vote by a ballot the Proxy will be voted in accordance with the judgment of the persons named therein. The Proxy also confers discretionary authority in respect of amendments to or variations in all matters that may properly come before the Meeting.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the non-registered shareholder with respect to the voting of certain Common Shares or, under applicable stock exchange or other rules, does not have the discretion to vote those Common Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Common Shares represented by such intermediary “non-votes” will, however, be counted in determining whether there is a quorum.

## RECORD DATE

The directors have fixed March 24, 2023 as the record date for the determination of shareholders entitled to receive notice of the Meeting. Accordingly, only shareholders of record on such date are entitled to vote at the Meeting.

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

None of the directors or executive officers of the Company, any person who has held such a position since the beginning of the last completed financial year of the Company, any proposed nominee for election as a director of the Company nor any associate or affiliate of the foregoing persons, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting (other than the election of directors and the ratification and approval of the Option Plan (as defined below)). See "Particulars of Matters to be Acted Upon at the Meeting".

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The board of directors of the Company (the "**Board**") has fixed March 24, 2023 as the record date. Shareholders of record at the close of business on March 24, 2023, are entitled to receive notice of the Meeting and to vote thereat or at any adjournments or postponements thereof on the basis of one vote for each Common Share held.

The authorized capital of the Company consists of an unlimited number of Common Shares. As of March 24, 2023, a total of 92,062,986 Common Shares were issued and outstanding. The Shareholders are entitled to one vote per Common Share at all meetings of the Shareholders either in person or by Proxy.

The following table sets out the information regarding ownership of the Common Shares owned by each person who, to the knowledge of the directors and executive officers, beneficially owns, controls, or directs, indirectly or directly, more than ten percent (10%) of the issued and outstanding Common Shares as of the date of this Information Circular.

Name	Number of Common Shares Owned or Controlled at the Record Date	Percentage of Outstanding Common Shares
Waterton Precious Metals Fund II Cayman, LP	18,320,534	19.90%
Kenneth McNaughton	11,100,000	12.06%

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### Financial Statements

The audited financial statements of the Company for the years ended December 31, 2022 and 2021, and the auditors' report thereon, will be received at the Meeting. The audited financial statements of the Company and the auditors' report will be provided to each Shareholder entitled to receive a copy of the Notice of Meeting and this Information Circular and who requests a copy of the audited financial

statements and the auditors' report thereon. The financial statements will also be available on the Company's website at [www.p2gold.com](http://www.p2gold.com) or under our profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### Number of Directors

Shareholders will be asked to pass an ordinary resolution to set the number of directors at eight (8) for the ensuing year.

**Proxies received in favour of management will be voted in favour of the setting the number of directors at eight (8), unless the shareholder has specified in the Proxy that his or her Common Shares are to be withheld from voting in respect thereof.**

### Election of Directors

The term of office for each director is from the date of the Meeting at which he or she is elected until the annual meeting next following or until his or her successor is elected or appointed. The Board currently consists of eight directors. At the Meeting, the Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8) for the ensuing year.

The following table sets forth certain information regarding the nominees, their respective positions with the Company, principal occupations or employment during the last five years, the dates on which they became directors of the Company and the approximate number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of the date of this Information Circular.

**Proxies received in favour of management will be voted in favour of the election of the following individuals as directors of the Company to hold office until the next annual meeting of shareholders, unless the shareholder has specified in the Proxy that his or her Common Shares are to be withheld from voting in respect thereof.**

Name and Province or State of Residence	Principal Occupation for the Previous Five Years	Director Since	Common Shares Beneficially Owned, Controlled or Directed
<b>Joseph Ovsenek</b> British Columbia, Canada	President, CEO and Chairman of the Company since May 2020; President and CEO of Pretium Resources Inc. from 2017 to 2020; President of Pretium Resources Inc. from 2015 to 2016; Executive Vice President and Chief Development Officer of Pretium Resources Inc. from 2011 to 2015.	April 16, 2020	7,274,582
<b>Neville Dastoor</b> <sup>(3)</sup> Ontario, Canada	Principal at INFOR Financial since September 2016; Senior partner at Canaccord Genuity from 2004 to 2016.	November 10, 2017	1,105,000

Name and Province or State of Residence	Principal Occupation for the Previous Five Years	Director Since	Common Shares Beneficially Owned, Controlled or Directed
<b>Ron MacDonald</b> <sup>(1)(2)</sup> British Columbia, Canada	Chartered Accountant and Chartered Professional Accountant with a career of 36 years at Deloitte LLP until his retirement in 2018 as Partner in Charge of the Vancouver Global Employer Services Group.	May 7, 2020	340,000
<b>Marcus Chalk</b> <sup>(1)(2)(3)</sup> British Columbia, Canada	Founder of GenCap Mining Advisory since June 2020; Managing Director at Scotiabank from November 2006 to May 2020.	August 12, 2020	300,000
<b>Olav Langelaar</b> <sup>(2)(3)</sup> British Columbia, Canada	Managing Director at MinCap Merchant Partners since March 2023; Managing Director at Dundee Goodman Merchant Partners from February 2018 to December 2022; Managing Director at Primary Capital from 2011 to 2018.	August 12, 2020	145,000
<b>Kenneth McNaughton</b> British Columbia, Canada	Chief Exploration Officer of the Company since January 27, 2021; Chief Exploration Officer of Pretium Resources Inc. from 2011 to 2020.	November 11, 2020	11,100,000
<b>Michelle Romero</b> California, USA	Executive Vice President of the Company since January 27, 2021; Executive Vice President, Corporate Affairs and Sustainability, and other senior positions at Pretium Resources Inc. from 2011 to 2020.	January 27, 2021	1,366,667
<b>Tom Yip</b> <sup>(1)</sup> Colorado, USA	CFO of the Company from December 4, 2020 to June 15, 2021; Executive Vice President and CFO at Pretium Resources Inc. from 2015 to 2020.	May 18, 2021	100,000

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance and Nominating Committee.
- (3) Member of the Compensation Committee.

## Director Biographies

### Joseph Ovsenek

Mr. Ovsenek has over 20 years of international management and legal experience in the precious metals industry. He has been responsible for building teams and leading the growth of public resource companies from early exploration stage to production. Before founding P2 Gold, Mr. Ovsenek was

President and CEO of Pretium Resources Inc. where he led the advance of the high-grade gold Brucejack Mine which has been operating profitably since commercial start-up in 2017. Mr. Ovsenek began his nine-year tenure at Pretium Resources Inc. in 2011 as Chief Development Officer and led the financing of the company from exploration stage to operations and was subsequently appointed President in 2015 and President and CEO in 2017. Prior to Pretium Resources Inc. he served for 15 years in senior management roles for Silver Standard Resources Inc., lastly as Senior Vice President, Corporate Development responsible for the sale of the Brucejack and Snowfield assets to the newly created Pretium Resources Inc. Mr. Ovsenek holds a Bachelor of Applied Science degree from the University of British Columbia and a Bachelor of Laws degree from the University of Toronto. Mr. Ovsenek is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia, and holds the Chartered Director (C.Dir) designation.

### **Neville Dastoor**

Mr. Dastoor, P.Eng., MBA, CFA has 25 years of technical and finance experience including almost 20 years in mining finance. He is currently a Principal with INFOR Financial, an independent investment bank that offers advice on mergers and acquisitions, capital raises and corporate restructurings. From 2004-2016, he was part of the mining team at Canaccord Genuity in Toronto and Vancouver where he was a senior partner in the mining investment banking group. While there, Mr. Dastoor successfully advised clients on transactions ranging from M&A and restructurings to IPOs, RTOs and financings. Prior to joining the investment banking team at Canaccord Genuity, Mr. Dastoor was in mining equity research where he covered many of the Canadian listed precious metals producers. From 2008-2013, Mr. Dastoor served on the TSX Venture Exchange Local Advisory Committee. Prior to joining Canaccord Genuity, Mr. Dastoor worked as a structural engineer in Toronto. Mr. Dastoor holds a B.Sc. (Civil Engineering) from Queen's University and an MBA from the Richard Ivey School of Business. He also holds a Professional Engineering designation and is a CFA Charterholder.

### **Ron MacDonald**

Mr. MacDonald is a Chartered Accountant and Chartered Professional Accountant who specialized in corporate taxation with a career of 36 years at Deloitte LLP until his retirement in 2018 as Partner in Charge of the Vancouver Global Employer Services Group. Mr. MacDonald taught tax at universities as well as The Institute of Chartered Accountants of BC and the Canadian Institute of Chartered Accountants In-depth Tax Program. He is a Retired Member of the Institute of the Chartered Professional Accountants BC and holds a Bachelor of Science and Licentiate of Accounting degrees from the University of British Columbia. Prior to joining the tax group at Deloitte LLP, Mr. MacDonald spent 5 years with the audit group at Deloitte auditing public companies. A number of these were junior resource companies traded on the Vancouver Stock Exchange.

### **Marcus Chalk**

Mr. Chalk has over 30 years' experience as a leading strategic and capital markets advisor in the global metals and mining industry. He is the founder of GenCap Mining Advisory. Prior to founding GenCap, he spent the past 14 years leading the Vancouver mining investment banking team at Scotiabank and worked at Macquarie North America (Toronto and Vancouver) and CIBC Wood Gundy (Toronto, Sydney and Vancouver) prior to that. He holds both an Honours Business Administration degree and a BA in Economics degree from the University of Western Ontario and is a CFA Charterholder.

## **Olav Langelaar**

Mr. Langelaar is currently a Managing Director at MinCap Merchant Partners, a mining advisory and merchant banking firm, and also a director of Camino Minerals Corp. as well as SPC Nickel Corp. He was a Managing Director at Dundee Goodman Merchant Partners ("DGMP"), a mining investment firm, from February 2018 to December 2022. Prior to joining DGMP, he worked in the capital markets as an investment banker for approximately 11 years. His previous industry experience includes roles with Ospraie Gold and Amerigo Resources (VP Corporate Development), Placer Dome (Manager of Corporate Finance and Insurance), Cameco, Cominco (now Teck Resources Ltd.), and Agrium (now Nutrien, as Engineer, Maintenance and Construction). Mr. Langelaar has over 20 years in the Canadian capital markets with specific expertise in mining operations and investment banking. He earned his Bachelor of Applied Science in Mechanical Engineering from the University of Waterloo, and an MBA from the Richard Ivey School of Business. He is also a member of the Association of Professional Engineers and Geoscientists of British Columbia.

## **Kenneth McNaughton**

Mr. McNaughton is a professional geological engineer with over 30 years of global experience developing and leading mineral exploration programs. Prior to P2 Gold he was Chief Exploration Officer at Pretium Resources Inc., where he had been responsible for greenfield exploration programs since joining the company in 2011, shortly after it was formed to advance the early exploration-stage Brucejack Project. Prior to Pretium, Mr. McNaughton was Vice President, Exploration at Silver Standard Resources Inc. for 20 years, and he oversaw all exploration activities of the company including the exploration program for the Snowfield Project and the 2009 program when bonanza-grade drilling results established Brucejack as a high-grade gold discovery. Prior to Silver Standard, he was employed by Corona Company and its affiliate Mascot Gold Mines Ltd. as a project geologist and engineer for projects in British Columbia. Mr. McNaughton holds a Bachelor of Applied Science degree and a Master of Applied Science degree in geological engineering from the University of Windsor.

## **Michelle Romero**

Ms. Romero has over 18 years of management experience in the mining industry. Prior to joining P2 Gold she was Executive Vice President, Corporate Affairs and Sustainability at Pretium Resources Inc. with responsibility for community affairs, ESG, enterprise risk management, and human resources. Ms. Romero joined Pretium in 2011 as Director, Investor Relations shortly after it was formed to advance the high-grade gold Brucejack Project. With the advance of the Project through permitting and development, construction, and operations she was responsible for the negotiation of Pretium's community agreements and establishing the platforms for community relations, human resources and enterprise risk management. Prior to Pretium, Ms. Romero was Director, Investor Relations for Silver Standard Resources Inc. Ms. Romero holds a Bachelor of Arts degree in Journalism and a Master of Library Science degree from Rutgers University, and holds the Chartered Director (C.Dir.) designation.

## **Tom Yip**

Mr. Yip has over 30 years of financial management experience in the mining industry for exploration and development companies and producers. He served as CFO of the Company from December 2020 to June 2021. Prior to joining P2 Gold, Mr. Yip was Executive Vice President and CFO of Pretium Resources Inc. He began his tenure at Pretium Resources Inc. in 2011 as a director and joined the management team in 2015 as financing and construction of the Brucejack Mine commenced. He was

responsible for establishing the systems and financial reporting as Pretium Resources Inc. evolved from an explorer to a profitable intermediate gold producer. Additionally, he led the refinancing of the company's construction financing package for Brucejack. Prior to Pretium, Mr. Yip served as CFO of several miners and explorers, including Silver Standard Resources, International Tower Hill Mines and Echo Bay Mines. Mr. Yip is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Commerce degree in Business Administration from the University of Alberta. He also holds the ICD.D designation from the Institute of Corporate Directors.

#### *Corporate Cease Trade Orders or Bankruptcies*

No proposed director (including any personal holding companies of the proposed directors) is, as of the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; 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 director, chief executive officer or chief financial officer.

Other than as discussed below, no proposed director (including any personal holding companies of the proposed directors) is, as of the date hereof, or has been, within 10 years before the date hereof, 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.

#### *Penalties or Sanctions*

No proposed director (including any personal holding companies of the proposed directors) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Appointment of Auditor**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, will be nominated at the Meeting for reappointment as auditor of the Company to serve until the next annual general meeting of Shareholders or until a successor is appointed, at a remuneration to be fixed by the Board.

**Unless authority to do so is withheld, the persons designated as Proxyholders in the accompanying Proxy intend to vote the Common Shares represented by each properly executed Proxy FOR the appointment of PricewaterhouseCoopers LLP as auditor of the Company to serve until the close of the next annual general meeting of Shareholders and the authorization of the Board to fix the remuneration of the auditor.**

## Approval of Option Plan

The Option Plan (as defined below) is the only equity compensation plan of the Company. The Option Plan was last approved by shareholders at the annual and special meeting of shareholders held on May 12, 2022. The Option Plan was recently amended and approved by the Board on March 16, 2023. The full terms of the Option Plan are attached as Schedule “B” to this Information Circular. At the Meeting or any adjournment or postponement thereof, shareholders will be asked to pass an ordinary resolution to approve the Option Plan (the “**Option Plan Resolution**”). Pursuant to the policies of the TSX Venture Exchange (“**TSXV**”), the Option Plan must be approved by shareholders annually.

### *Option Plan Resolution*

The Option Plan Resolution must be approved by at least a majority of the votes cast by shareholders present in person or represented by Proxy at the Meeting or any adjournment or postponement thereof.

The Board recommends that shareholders vote **FOR** the Option Plan Resolution. The full text of the Option Plan Resolution to be submitted to shareholders at the Meeting is set forth below:

**“BE IT RESOLVED THAT:**

- (a) the Option Plan of the Company, the full text of which is set forth in Schedule “B” of the Information Circular dated March 24, 2023, is hereby ratified and approved; and
- (b) any one director or officer of the Company be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of the Company, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person’s opinion as may be necessary or desirable for the purpose of giving effect to these resolutions.”

**Proxies received in favour of management will be voted in favour of the Option Plan Resolution, unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against the Option Plan Resolution.**

## STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this Statement of Executive Compensation is to provide information about the Company's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to the most highly compensated executive officers of the Company (the “**Named Executive Officers**” or “**NEOs**”). For the purposes of this Circular, a NEO 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.

During the year ended December 31, 2022, the NEOs of the Company were:

- Joseph Ovsenek, President and CEO since May 7, 2020; and
- Grant Bond, CFO since June 15, 2021.

### ***Compensation Discussion and Analysis***

#### ***Overview and Compensation Governance***

The Company's compensation practices are designed to retain, motivate and reward its executive officers and directors for their performance and contribution to the Company's long-term success. The Board makes decisions regarding executive and director compensation based on recommendations from the Compensation Committee. The Board seeks to compensate the Company's executive officers and directors by combining short and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' and directors' incentives with shareholder value creation. The Board strives to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. The Board may also set corporate performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

In assessing the compensation of its executive officers and directors, the Company does not use formal objectives, criteria or analysis. Instead, it relies mainly on discussions between the Compensation Committee and the Board. Meetings of the Compensation Committee are held periodically, but in any case, at least annually, to review compensation policies and to consider the overall compensation to be paid by the Company to its employees, executive officers and directors. Following review of data and discussion by members of the Compensation Committee, the Compensation Committee makes recommendations to the Board. In making compensation recommendations, the Compensation Committee considers each executive's and director's performance and other relevant factors, including the scope of their respective positions and responsibilities, the achievement of corporate goals, the current business environment and anticipated changes, and executive and director retention and recruitment considerations.

#### ***Compensation Components***

The Company's compensation consists primarily of four elements: base salary, short term incentive, long-term equity incentives and non-cash compensation. Each element of compensation is described below in more detail.

### Base Salary

Annual base salary is considered in the context of the total compensation package. The Company must be competitive within the marketplace where it competes for talent. Salary reviews will occur on an annual basis and base salary may be adjusted based on an individual's evaluated performance as assessed by the Compensation and Corporate Governance Committee in discussion with the President and CEO. As competition for skilled executive officers is intense, we expect that base salaries for additional executive officers will be determined by the marketplace. Base salaries are to be reviewed annually and increased for merit reasons, based on board discussion without any formal objectives, criteria and analysis.

### Short Term Incentive

The objective of the Company's short term incentive program is to motivate its executive officers to achieve, and reward their achievement of, the Company's annual goals and objectives. The program relies on the assessment of an individual's performance by the President and CEO in light of the individual's responsibilities. Short term assessment awards will be determined by discussion amongst the Compensation and Corporate Governance Committee in consultation with the Company's President and CEO without formal objectives, criteria or analysis.

### Long-Term Equity Incentives

The Company believes that equity-based awards allow it to reward executive officers for their sustained contributions to the Company. The Company also believes that equity awards reward continued employment by an executive officer, with an associated benefit to the Company of employee continuity and retention. In addition, the Board believes that equity awards provide management with a strong link to long-term corporate performance and the creation of shareholder value. As a result, the Board has implemented the Option Plan to allow the Company the opportunity to grant Options (as defined below). See "Securities Authorized for Issuance Under Equity Compensation Plans – Summary of Option Plan" below.

The Board does not issue Options according to a prescribed formula or target. Rather, it considers the individual's position, scope of responsibility, ability to affect profits and the individual's historic and recent performance and the value of the Options in relation to other elements of the executive's total compensation. The Board will take previous grants of Options into consideration when considering new grants of Options under the Option Plan.

### Non-Cash Compensation

In addition to the programs outlined above, our executive officers will be eligible to participate in our provided health and welfare benefits, paid vacation and other perquisites. We will review these benefits for competitiveness as we continue to grow.

### **Summary Compensation Table**

The following table sets out information concerning the compensation paid to each of the Company's NEOs and directors, excluding compensation securities, for the Company's two most recently completed financial years.

Table of Compensation (excluding compensation securities)							
Name and position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total Compensation
<b>Joseph Ovsenek</b> <sup>(1)</sup> President, CEO, Chairman and Director	2022	\$100,000	Nil	Nil	Nil	\$8,164	\$108,164
	2021	\$50,000	\$10,000	Nil	Nil	\$3,530	\$63,530
<b>Grant Bond</b> <sup>(2)</sup> CFO	2022	\$188,250	\$10,000	Nil	Nil	\$14,559	\$212,809
	2021	\$96,138	\$10,000	Nil	Nil	\$3,824	\$109,962
<b>Kenneth McNaughton</b> <sup>(3)</sup> Director and Chief Exploration Officer	2022	\$100,000	Nil	Nil	Nil	\$10,580	\$110,580
	2021	\$50,000	\$10,000	Nil	Nil	\$3,911	\$63,911
<b>Michelle Romero</b> <sup>(4)</sup> Director and Executive Vice President	2022	\$107,531	Nil	Nil	Nil	\$7,710	\$115,241
	2021	\$50,000	\$10,000	Nil	Nil	\$4,621	\$64,621
<b>Tom Yip</b> <sup>(5)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	\$24,152	Nil	Nil	Nil	Nil	\$24,152
<b>Neville Dastoor</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ron MacDonald</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Olav Langelaar</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Marcus Chalk</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Joseph Ovsenek did not receive compensation for his services as director of the Company.
- (2) A portion of Grant Bond's salary was recovered from a related company under a financial services agreement.
- (3) Kenneth McNaughton was appointed as a director of the Company on November 11, 2020 and Chief Exploration Officer on January 27, 2021. He did not receive compensation for his services as director of the Company.
- (4) Michelle Romero was appointed as a director and Executive Vice President of the Company on January 27, 2022. She entered into a consulting agreement with the Company effective September 1, 2022 at a rate of US\$7,500 per month. She did not receive compensation for her services as director of the Company.
- (5) Tom Yip was appointed CFO of the Company on December 4, 2020 and resigned as CFO of the Company on June 15, 2021. He was appointed director of the Company on May 18, 2021. He did not receive compensation for his services as director of the Company.

### Options and Other Compensation Securities

The following table sets out information concerning compensation securities granted or issued to each NEO and director by the Company for the financial year ended December 31, 2022.

Compensation Securities							
Name and position(s)	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)(2)</sup>	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
<b>Joseph Ovsenek</b> <sup>(3)</sup> President, CEO, Chairman and Director	Options	100,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	200,000	2022-08-15	\$0.425	\$0.43		2024-08-15
	Options	100,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	200,000 (8.3%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Grant Bond</b> <sup>(4)</sup> CFO	Options	100,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	100,000	2022-08-15	\$0.425	\$0.43		2024-08-15
	Options	100,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	200,000 (6.9%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Tom Yip</b> <sup>(5)</sup> Former CFO and Director	Options	50,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	50,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	100,000 (2.8%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Kenneth McNaughton</b> Director and Chief Exploration Officer	Options	100,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	300,000	2022-08-15	\$0.425	\$0.43		2024-08-15
	Options	100,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	200,000 (9.7%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Michelle Romero</b> <sup>(6)</sup> Director and Executive Vice President	Options	75,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	300,000	2022-08-15	\$0.425	\$0.43		2024-08-15
	Options	100,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	200,000 (9.4%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Neville Dastoor</b> <sup>(7)</sup> Director	Options	50,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	50,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	100,000 (2.8%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Ron MacDonald</b> <sup>(8)</sup> Director	Options	50,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	100,000	2022-08-15	\$0.425	\$0.43		2024-08-15
	Options	50,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	100,000 (4.2%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Olav Langelaar</b> <sup>(9)</sup> Director	Options	50,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	100,000	2022-08-15	\$0.425	\$0.43		2024-08-15
	Options	50,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	100,000 (4.2%)	2022-03-21	\$0.71	\$0.71		2024-03-21
<b>Marcus Chalk</b> <sup>(10)</sup> Director	Options	50,000	2022-12-23	\$0.25	\$0.25	\$0.25	2024-12-23
	Options	100,000	2022-08-15	\$0.425	\$0.43		2024-08-15
	Options	50,000	2022-05-16	\$0.47	\$0.46		2024-05-16
	Options	100,000 (4.2%)	2022-03-21	\$0.71	\$0.71		2024-03-21

Notes:

- (1) The options granted to each NEO and director above vest as follows: (i) 34% vesting on the grant date; (ii) 33% vesting on six months after the grant date; and (iii) 33% vesting 12 months after the grant date.
- (2) As at December 31, 2022, a total of 7,219,166 Options were outstanding.
- (3) Mr. Ovsenek also holds 100,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023.
- (4) Mr. Bond also holds 400,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023.
- (5) Mr. Yip also holds 100,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023.
- (6) Ms. Romero also holds 200,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023.
- (7) Mr. Dastoor also holds 100,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023; 41,667 options granted on July 2, 2019 at an exercise price of \$0.30 which expire on July 2, 2024; and 100,000 options granted on October 16, 2018 at an exercise price of \$0.60 which expire on October 16, 2023.
- (8) Mr. MacDonald also holds 100,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023.
- (9) Mr. Langelaar also holds 100,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023.
- (10) Mr. Chalk also holds 100,000 options granted on May 19, 2021 at an exercise price of \$0.51 which expire on May 19, 2023.

The following table sets out information concerning compensation securities exercised by each NEO and director during the financial year ended December 31, 2022.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security	Date of exercise	Closing price per security on date of exercise	Difference between exercise price and closing price on date of exercise	Total value on exercise date
<b>Joseph Ovsenek</b> President, CEO, Chairman and Director	Options	200,000	\$0.51	2022-09-27	\$0.27	(\$0.24)	Nil
<b>Kenneth McNaughton</b> Director and Chief Exploration Officer	Options	200,000	\$0.51	2022-09-27	\$0.27	(\$0.24)	Nil
<b>Michelle Romero</b> Director and Executive Vice President	Options	100,000	\$0.34	2022-04-20	\$0.76	\$0.42	\$42,000
<b>Neville Dastoor</b> Director	Options	60,000	\$0.34	2022-01-21	\$0.65	\$0.31	\$18,600
<b>Ron MacDonald</b> Director	Options	200,000	\$0.34	2022-04-26	\$0.62	\$0.28	\$56,000
<b>Olav Langelaar</b> Director	Options	100,000	\$0.30	2022-05-17	\$0.46	\$0.16	\$16,000
<b>Marcus Chalk</b> Director	Options Options	100,000 100,000	\$0.30 \$0.61	2022-04-05 2022-04-05	\$0.75 \$0.75	\$0.45 \$0.14	\$45,000 \$14,000

## **Option Plan**

The material terms of the Option Plan are described under the heading “Securities Authorized for Issuance Under Equity Compensation Plans – Summary of Option Plan” below. The Option Plan was last approved by shareholders at the annual and special shareholder meeting held on May 12, 2022. If the Option Plan Resolution is approved by shareholders of the Company at the Meeting, the Option Plan will become effective upon the date of such approval at the Meeting.

## **Employment, consulting and management agreements**

### **Joseph Ovsenek – President and CEO**

On January 1, 2022, the Company entered into an employment agreement with Joseph Ovsenek (the “**Ovsenek Agreement**”). Under the terms of the Ovsenek Agreement, Mr. Ovsenek is engaged as President and CEO of the Company. The Ovsenek agreement may be terminated on four (4) weeks' written notice by Mr. Ovsenek. The Company may terminate the Ovsenek Agreement for cause, without notice or any payment in lieu thereof. The Company may also terminate the Ovsenek Agreement at any time, without just cause and without prior notice, by providing Mr. Ovsenek with: (a) payment equal to 24 months of his base salary; and (b) twice the average annual performance bonus earned by Mr. Ovsenek in the 3 years immediately preceding termination, it being understood that if such termination occurs within: (i) the first 3 years of the agreement, the average performance bonus calculation will use the greater of (a) the performance bonus earned for the completed years and (b) 100% of base salary; and (ii) prior to the completion of a year and the earning of a performance bonus, the average performance bonus calculation will use a performance bonus equal to 100% of his base salary (the “**Separation Package**”). In the event of a Change of Control of the Company, Mr. Ovsenek is entitled to receive from the Company a payment equal to the Separation Package.

### **Grant Bond – CFO**

On January 1, 2022, the Company entered into an employment agreement with Grant Bond (the “**Bond Agreement**”). Under the terms of the Bond Agreement, Mr. Bond is engaged as CFO of the Company. The Bond agreement may be terminated on four (4) weeks' written notice by Mr. Bond. The Company may terminate the Bond Agreement for cause, without notice or any payment in lieu thereof. The Company may also terminate the Bond Agreement at any time, without just cause and without prior notice, by providing Mr. Bond with: (a) payment equal to 24 months of his base salary; and (b) twice the average annual performance bonus earned by the Mr. Bond in the 3 years immediately preceding termination, it being understood that if such termination occurs within: (i) the first 3 years of the agreement, the average performance bonus calculation will use the greater of (a) the performance bonus earned for the completed years and (b) 100% of base salary; and (ii) prior to the completion of a year and the earning of a performance bonus, the average performance bonus calculation will use a performance bonus equal to 100% of his base salary (the “**Separation Package**”). In the event of a Change of Control of the Company, Mr. Bond is entitled to receive from the Company a payment equal to the Separation Package.

The Company has entered into a financial services agreement with two other companies whereby a portion of Mr. Bond’s salary is recovered on a monthly basis.

The estimated incremental payments from the Company to each of Messrs. Ovsenek and Bond, assuming termination on December 31, 2022, would be as follows:

Name	Termination event	Incremental entitlements <sup>(1)</sup>			Total <sup>(3)</sup>
		Base salary (24 months)	2x Average annual STIP	Option-based awards <sup>(2)</sup>	
<b>Joseph Ovsenek</b> President, CEO, Chairman and Director	Without cause or for good reason	200,000	200,000	-	400,000
	Without cause or for good reason within 12 months following a change of control	200,000	200,000	-	400,000
<b>Grant Bond</b> CFO	Without cause or for good reason	396,000	396,000	-	792,000
	Without cause or for good reason within 12 months following a change of control	396,000	396,000	-	792,000

- (1) Assumes that there is no salary or accrued vacation owing at the date of termination, and that all expenses to the date of termination have been reimbursed.
- (2) Assumes the vesting of all outstanding options and is calculated based on the difference between the market price of the Company's shares on the TSXV on December 31, 2022 (\$0.25) and the exercise price of each option.
- (3) Excludes other entitlements including continuation of benefits.

### Director Compensation

No compensation is currently paid to the Company's directors. Directors will be reimbursed for their out-of-pocket expenses incurred in connection with rendering services to the Company.

Each of the Company's directors is also expected to receive an annual grant of Options under the Option Plan at an exercise price determined in accordance with the Option Plan, and vesting in accordance with the terms of the Option Plan.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Option Plan is the only equity compensation plan of the Company. The following table provides details relating to the Option Plan and the securities to be issued upon exercise of outstanding Options as at December 31, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding Options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under the Option Plan
Equity compensation plans approved by securityholders	7,219,166	\$0.51	1,655,079
<b>Total</b>	<b>7,219,166</b>	<b>\$0.51</b>	<b>1,655,079</b>

## **Summary of Option Plan**

The following is a summary of the material terms of the Option Plan. Reference should be made to the full text of the Option Plan which is attached hereto as Schedule “B”.

### *Purpose*

The principal purpose of the stock option plan of the Company (the “**Option Plan**”) is to authorize the grant of options (“**Options**”) to purchase Common Shares to Eligible Persons (as defined below) and thus benefit the Company by enabling it to attract, retain and motivate Eligible Persons by providing such Eligible Persons with the opportunity to acquire, through Options, an increased proprietary interest in the Company.

### *Eligibility*

Any senior officer, director, employee, management company employee, consultant, or investor relations person of the Company or its wholly-owned subsidiaries (each as described in the Option Plan and each, an “**Eligible Person**”) is eligible to receive Options under the Option Plan. The Board has full and final authority to determine the Eligible Persons who are granted Options under the Option Plan and the number of Common Shares subject to each Option.

### *Common Shares Subject to Option Plan*

The maximum number of Common Shares which may be available for issuance under the Option Plan, together with any other security-based compensation plan of the Company (pre-existing or otherwise), will not exceed 10% of the total number of Common Shares issued and outstanding from time to time. The Option Plan is an “evergreen plan” and accordingly, any issuance of Common Shares from treasury, including the issuances of Common Shares in respect of which Options are exercised, and any expired or cancelled Options, shall automatically replenish the number of Common Shares issuable under the Option Plan.

The maximum number of Common Shares which may be issued or reserved for issuance to any one Person (as described in the Option Plan), and companies wholly-owned by that Person, under the Plan within any 12-month period shall not exceed 5% of the issued and outstanding Common Shares, calculated on the date an Option is granted to such Person.

### *Limits with Respect to Insiders*

The maximum number of Common Shares which may be reserved for issuance to insiders (as a group) under the Option Plan, together with any other of the Company’s previously established and outstanding security-based compensation plans or grants, at any time, shall be 10% of the Common Shares issued and outstanding (on a non-diluted basis).

The maximum number of Options which may be granted to insiders (as a group) under the Option Plan, together with any other of the Company’s previously established and outstanding security-based compensation plans or grants, within any 12-month period shall be 10% of the issued and outstanding Common Shares, calculated on the date an Option is granted to any insider (on a non-diluted basis).

### *Limits with Respect to Consultants and Investor Relations Person*

The maximum number of Options which may be granted to any one consultant under the Option Plan, together with any other of the Company's previously established and outstanding security-based compensation plans or grants, within any 12-month period, must not exceed 2% of the issued and outstanding Common Shares, calculated at the date an Option is granted to such consultant (on a non-diluted basis).

The maximum number of Options which may be granted to all investor relations persons under the Option Plan, together with any other of the Company's previously established and outstanding security-based compensation plans or grants, within any 12-month period, must not exceed 2% of the issued and outstanding Common Shares, calculated on the date an Option is granted to any such investor relations person (on a non-diluted basis).

### *Exercise of Options*

The exercise price of Options issued may not be less than the "market price" (as described in the Option Plan) of the Common Shares at the time the Option is granted. In addition, the exercise price will not be lower than as permitted by applicable TSXV policies (including in respect of Options issued within 90 days of a prospectus offering of the Company).

Subject to the provisions of the Option Plan and the particular Option, an Option may be exercised, in whole or in part, by delivering a written notice of exercise to the Company along with payment in cash, certified cheque, bank draft or wire transfer for the full amount of the exercise price of the Common Shares then being purchased, subject to any tax adjustments in accordance with the Option Plan.

Subject to the provisions of the Option Plan and prior approval by the Board, an Option holder may elect cashless exercise in its notice of exercise. In such case, the Option holder will not be required to deliver to the Company cash or other form of payment for the aggregate exercise price and instead, will instruct a broker to sell through the TSXV, a sufficient number of Common Shares issuable on the exercise of options to cover the exercise price, as soon as possible upon the issue of such shares to the Option holder at the then applicable bid price of the Common Shares. The Company will issue the Common Shares against payment by the broker to the Company of (i) the Exercise Price for such shares; and (ii) the amount the Company determines, in its discretion, is required to satisfy withholding tax obligations in respect of the exercise of the options and issuance of shares. The broker will deliver to the Option holder the remaining value of the options, net of any brokerage commission or other expenses.

The Board, in its sole and absolute discretion, may permit an Option holder to elect to exercise Option(s) on a "net" cashless basis ("Net Cashless Exercise"), whereby an Option holder is entitled to receive, without any payment of the exercise price of the Common Shares to be purchased pursuant to the exercise of the Option(s), the number of Common Shares obtained pursuant to the following formula, after deduction of any withholding obligations:

$$X = [Y(A-B)]/A$$

Where:

X = the aggregate number of Common Shares to be issued to the Option holder upon such Net Cashless Exercise;

Y = the aggregate number of Common Shares underlying the Option(s) being exercised;

A = the VWAP of the underlying Common Shares;  
B = the exercise price of the Option(s) being exercised.

#### *Term and Expiry Date*

The period within which Options may be exercised and the number of Options which may be exercised in any such period are determined by the Board at the time of granting the Options provided, however, that the maximum term of any Options awarded under the Option Plan is 10 years.

#### *Vesting*

All Options granted pursuant to the Option Plan may vest and become exercisable at the discretion of the Board provided that if required by any stock exchange on which the Common Shares trade: (i) any Options granted at an exercise price calculated as an allowable discount to the applicable market price shall contain vesting restrictions as may be required by such stock exchange; and (ii) any Options granted to investor relations persons must vest in stages over not less than 12 months with no more than one-quarter of the aggregated number of Options vesting in any single three-month period.

#### *Termination of Options*

An optionee who ceases to be an Eligible Person for any reason, other than as a result of having been dismissed for cause or as a result of the optionee's death, may exercise any vested and unexpired Options held by such optionee for a period of 90 days from the date of cessation (or until the normal expiry date of the Option rights of such optionee, if earlier), subject to extension by the Board to a maximum of one year with approval from the TSXV. An optionee who was engaged in providing investor relation activities may exercise any vested and unexpired Options held by such optionee for a period of 30 days from the date that the optionee ceased to provide such investor relations activities.

In the event of a death of the optionee during the currency of the optionee's Option, the Option theretofore granted to the optionee shall vest and be exercisable within, but only within, the period of one year next succeeding the optionee's death or until the normal expiry date of the Option rights of such optionee if earlier.

If an optionee ceases to be an Eligible Person as a result of having been dismissed for cause, all unexercised Options of that optionee under the Option Plan shall immediately become terminated and shall lapse.

#### *Non-Assignability and Non-Transferability*

Options granted under the Option Plan will be non-assignable and non-transferable by an optionee other than pursuant to a will or by the laws of descent and distribution, and such Option shall be exercisable, during an optionee's lifetime, only by the optionee.

#### *Adjustments in Common Shares Subject to Plan*

The Option Plan contains provisions for the treatment of Options in the event of a reorganization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or Common Shares of the Company. The Options granted under the Option Plan may contain such provisions as the Board may determine with respect to adjustments to

be made in the number and kind of Common Shares covered by such Options and in the exercise price in the event of such change.

The approval of disinterested shareholders is required for any reduction in the exercise price, or extension to the term, of an option, if the optionee is an insider at the time of the proposed amendment.

#### *Effect of Acceleration Event*

If at any time when an Option granted under this Plan remains unexercised with respect to any optioned Common Shares:

- (a) the Company seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- (b) a third party makes a bona fide formal offer or proposal to the Company or its shareholders which, if accepted in whole or in part, would constitute an Acceleration Event;

the Company shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable. The Board will have the sole discretion to amend, or otherwise eliminate any vesting schedule related to each optionee's Options so that notwithstanding the other terms of the Option Plan, such Option may be conditionally exercised in whole or in part by the optionee and the optioned Common Shares may be conditionally issued to each such optionee so (and only so) as to permit the optionee to tender the Common Shares received in connection with the exercise of the Options pursuant to the offer.

In the event of an Acceleration Event, the vesting of all Options and the time for the fulfillment of any conditions or restrictions on such vesting events may be accelerated to the date and time immediately prior to the effective time of the Acceleration Event.

Further, the Board, in its sole discretion, may authorize and implement any one or more of the following additional courses of action in the event of an Acceleration Event:

- (a) terminating without any payment or other consideration, any Options not exercised or surrendered by the effective time of the Acceleration Event;
- (b) causing the Company to offer to acquire from each optionee his or her Options for a cash payment equal to the In-The-Money Amount (as described in the Option Plan), and any Options not so surrendered or exercised by the effective time of the Acceleration Event will be deemed to have expired; and
- (c) an Option granted under the Option Plan be exchanged for an Option to acquire, for the same aggregate consideration, that number and type of securities as would be distributed to the optionee in respect of the Common Shares issued to the optionee had he or she exercised the Option prior to the effective time of the Acceleration Event, provided that any such replacement Option must provide that it survives for a period of not less than one year from the effective time of the Acceleration Event, regardless of the continuing directorship, officership or employment of the optionee.

For greater certainty, and notwithstanding anything else to the contrary contained in the Option Plan, the Board shall have the power, in its sole discretion, in any Acceleration Event which may or has occurred, to make such arrangements as it shall deem appropriate for the exercise of outstanding Options including, without limitation, to modify the terms of the Option Plan and/or the Options as contemplated above. If the Board exercises such power, the Options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the optionee at any time or from time to time as determined by the Board prior to or in conjunction with completion of the Acceleration Event.

Notwithstanding the foregoing, prior written approval of the TSXV is required for the acceleration of the vesting requirements applicable to options granted to an Investor Relations Person.

## CORPORATE GOVERNANCE DISCLOSURE

### **The Board**

The Board is comprised of Joseph Ovsenek, Neville Dastoor, Ron MacDonald, Michelle Romero, Olav Langelaar, Marcus Chalk, Kenneth McNaughton and Tom Yip. Messrs. MacDonald, Dastoor, Langelaar and Chalk are considered to be independent directors within the meaning of NI 52-110. For the purposes of NI 52-110 (as defined below), a director is considered “independent” if he or she has no direct or indirect material relationship with the issuer. A material relationship is one which could, in the view of the issuer’s board, be reasonably expected to interfere with the exercise of a member’s independent judgment. Mr. Ovsenek is not considered to be an independent director because he serves as President, CEO and Chairman of the Company. Ms. Romero is not considered to be independent because she serves as the Executive Vice President of the Company. Mr. McNaughton is not considered to be independent as he serves as Chief Exploration Officer of the Company. Mr. Yip is not considered to be independent as he served as Chief Financial Officer of the Company within the last three years.

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 is responsible for managing the business and affairs of the Company and, in doing so, must act honestly and in good faith with a view to the best interests of the Company. Pursuant to the Board Mandate, the Board is responsible for approving long-term goals and objectives for the Company, ensuring the plans and strategies necessary to achieve those objectives are in place and supervising senior management who is responsible for the implementation of long-term strategies and day-to-day management of the Company. The Corporate Governance and Nominating Committee reviews and assesses the adequacy of the Board Mandate at least annually or otherwise, as it deems appropriate, and makes any necessary changes. The Board retains a supervisory role and ultimate responsibility for all matters relating to the Company and its business. The Board discharges its responsibilities both directly and through its standing committees and any ad hoc committee it may establish to address issues of a more short-term nature.

### **Directorships**

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

<b>Director</b>	<b>Name of Other Reporting Issuer and Exchange</b>
Joseph Ovsenek	Victoria Gold Corp. (TSX: VGCX) Austin Gold Corp. (NYSE American: AUST) Karus Gold Corp. (an unlisted reporting issuer)
Kenneth McNaughton	Camino Minerals Corp. (TSXV: COR) Envirometals Technologies Inc. (CSE: ETI ) Austin Gold Corp. (NYSE American: AUST)

Olav Langelaar	Camino Minerals Corp. (TSXV: COR) SPC Nickel Corp. (TSXV: SPC)
Marcus Chalk	Fireweed Metals Corp. (TSXV: FWZ)
Tom Yip	Maritime Resources Corp. (TSXV: MAE) Austin Gold Corp. (NYSE American: AUST)

### ***Orientation and Continuing Education***

The composition of the Board consists of directors who are familiar with the industry or who bring particular expertise to the Board from their professional experience. New directors will receive an orientation to the Company. The Board and the Corporate Governance and Nominating Committee are responsible for providing an orientation and education program for new directors which covers: (i) the role of the Board and its committees; (ii) the nature and operation of the business of the Company; (iii) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments; and (iv) any other matter that the Board considers to be relevant.

In addition, the Board and the Corporate Governance and Nominating Committee are responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Company remains current, at the request of any individual director.

### ***Ethical Business Conduct***

The Board has adopted a Code of Business Conduct and Ethics, a Whistleblower Policy, and a Corporate Disclosure and Insider Trading Policy (collectively, the “Corporate Conduct Policies”) outlining the principles of ethical conduct to which the Company’s directors, officers and employees, contractors and consultants are expected to adhere and establishing mechanisms to report unethical conduct. The objective of the Corporate Conduct Policies is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company. The Corporate Conduct Policies address conflicts of interest, protecting the Company’s assets, confidentiality, fair dealing with security holders, customers, suppliers, competitors, government officials and employees, insider trading (as described in further detail in the Corporate Disclosure and Insider Trading Policy), compliance with laws and reporting any illegal or unethical behaviour. As part of the Corporate Conduct Policies, any person subject to the Corporate Conduct Policies is required to avoid interests or relationships that are harmful or detrimental to the Company’s best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Company is committed to operating in a responsible manner that complies with applicable laws, rules and regulations, and providing full, fair, accurate, timely and understandable disclosure in reports and documents filed with any governing body or publicly disclosed. A copy of the Corporate Conduct Policies is provided to each director, officer and employee.

### ***Position Descriptions***

The Board has developed position descriptions for the Board Chair, CEO and the chairs of the Audit Committee, Corporate Governance and Nominating Committee and Compensation Committee.

## **Committees of the Board**

The Board has established the following standing committees to assist in discharging its responsibilities: (i) the Audit Committee; (ii) the Corporate Governance and Nominating Committee; and (iii) the Compensation Committee. The table below sets forth the composition of each committee.

<b>Audit Committee</b>	<b>Corporate Governance and Nominating Committee</b>	<b>Compensation Committee</b>
Ron MacDonald - Chair Marcus Chalk Tom Yip	Ron MacDonald - Chair Marcus Chalk Olav Langelaar	Neville Dastoor - Chair Olav Langelaar Marcus Chalk

### Audit Committee

The Audit Committee is responsible for overseeing the integrity of the Company's financial statements, reviewing financial reports and other financial information, recommending the appointment and reviewing and appraising the audit efforts of the Company's external auditors, overseeing and monitoring the Company's financial reporting processes and internal controls, the Company's processes to manage business and financial risk and its compliance with legal, ethical and regulatory requirements and encouraging improvement of, and adherence to, the Company's policies, procedures and practices.

The Audit Committee is comprised of Ron MacDonald (Chair), Tom Yip and Marcus Chalk. See "Audit Committee" for details about its composition and function. The Charter of the Audit Committee is attached as Schedule "A" to this Information Circular.

### Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of Ron MacDonald (Chair), Marcus Chalk and Olav Langelaar, all of whom are considered to be independent. The charter of the Corporate Governance and Nominating Committee provides that it is to identify and review candidates for appointment or nomination to the Board based upon an assessment of the independence, skills, qualifications, functional expertise and experience of the candidate, and make recommendations to the Board for consideration.

The Corporate Governance and Nominating Committee annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and the committees of the Board to determine whether changes in size, personnel or responsibilities are warranted. The Corporate Governance and Nominating Committee is also responsible for the annual determination of which Board and committee members are considered independent, as well as the development of procedures to permit the Board to function independently of management, providing all such determinations, recommendations and procedures to the Board for consideration.

### Compensation Committee

The Compensation Committee is comprised of Neville Dastoor (Chair), Olav Langelaar and Marcus Chalk, all of whom are considered to be independent. The charter of the Compensation Committee provides that it is responsible for providing the Board with recommendations regarding the

compensation levels for the Company’s directors, CEO, and senior executive officers. The Compensation Committee shall annually review and approve corporate goals and objectives relevant to the CEO and senior executive officer compensation, evaluate the performance of the CEO and each senior executive officer's performance in light of those goals and objectives, and recommend to the Board for approval the compensation level for the CEO and each senior executive officer based on this evaluation. In determining such compensation, the Compensation Committee will consider the Company's performance and relative shareholder return and the compensation of CEOs and senior executive officers at comparable companies. While the Board is ultimately responsible for determining all forms of compensation to be awarded to the directors, CEO and senior executives, the Compensation Committee will annually review the Company’s compensation philosophy, policies, plans and guidelines and recommend any changes to the Board.

**Assessments**

The Corporate Governance and Nominating Committee and the Board Chair are responsible for assessing the effectiveness and contribution of the Board, its committees and individual directors annually.

**Term Limits and Other Mechanisms of Board Renewal**

The Company has not adopted term limits for the directors. During the Corporate Governance and Nominating Committee’s annual review of the Board’s effectiveness the directors are to consider the adequacy of the composition of the Board, the effectiveness of directors and whether it collectively has the expertise in the various areas it determines are important for the Company’s business at the time. Where changes are considered appropriate, the directors identify new director nominees and recommend that those nominees be elected by shareholders. The Company has seen periodic turnover in directors in recent years and believes its approach to Board renewal has been effective.

**AUDIT COMMITTEE INFORMATION**

**Audit Committee Charter**

The Board has adopted a Charter of the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule “A” to this Information Circular.

**Composition of the Audit Committee**

As of the date of this Information Circular, the following were the members of the Audit Committee:

Name	Independence	Financial Literacy
Ron MacDonald <sup>(1)</sup>	Yes	Yes
Marcus Chalk	Yes	Yes
Tom Yip	No	Yes

<sup>(1)</sup> Chair of the Audit Committee.

The Board believes that the composition of the Audit Committee reflects financial literacy and expertise. Currently, all three members of the Audit Committee have been determined by the Board to be "financially literate" as such terms are defined under NI 52-110 – *Audit Committees* (“**NI 52-110**”). Messrs. MacDonald and Chalk are considered to be independent within the meaning of NI 52-110. Mr. Yip is not considered to be independent as he served as the CFO of the Company within the last three years. For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.

### **Relevant Education and Experience**

All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member.

<b>Audit Committee Member</b>	<b>Relevant Education and Experience</b>
Ron MacDonald - Chair	Mr. MacDonald is a Chartered Accountant and Chartered Professional Accountant. He is a Retired Member of the Institute of Chartered Accountants of BC and holds a Bachelor of Science and Licentiate of Accounting degrees from the University of British Columbia. Mr. MacDonald specialized in corporate taxation with a career of 36 years at Deloitte LLP until his retirement in 2018 as Partner in Charge of the Vancouver Global Employer Services Group.
Marcus Chalk	Mr. Chalk has over 30 years’ experience as a leading strategic and capital markets advisor in the global metals and mining industry. He is the founder of GenCap Mining Advisory. Prior to founding GenCap, he spent the past 14 years leading the Vancouver mining investment banking team at Scotiabank and worked at Macquarie North America (Toronto and Vancouver) and CIBC Wood Gundy (Toronto, Sydney and Vancouver) prior to that. He holds both an Honours Business Administration degree and a BA in Economics degree from the University of Western Ontario and is a CFA Charterholder.

Tom Yip	Mr. Yip has over 30 years of financial management experience in the mining industry for exploration and development companies and producers. He served as CFO of the Company from December 2020 to June 2021. Prior to joining P2 Gold, Mr. Yip was Executive Vice President and CFO of Pretium Resources Inc. He began his tenure at Pretium Resources Inc. in 2011 as a director and joined the management team in 2015 as financing and construction of the Brucejack Mine commenced. Prior to Pretium Resources Inc., Mr. Yip served as CFO of several miners and explorers, including Silver Standard Resources, International Tower Hill Mines and Echo Bay Mines. Mr. Yip is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Commerce degree in Business Administration from the University of Alberta. He also holds the ICD.D designation from the Institute of Corporate Directors.
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### **Pre-Approval Policies and Procedures**

Pursuant to the Audit Committee Charter, external auditors must obtain the Audit Committee's pre-approval before commencing any non-audit service not prohibited by law.

### **External Auditor Services Fees**

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Professional Accountants, located at 1400-250 Howe Street, Vancouver, British Columbia V6C 3S7. PricewaterhouseCoopers LLP was appointed as auditor on July 10, 2020.

Fees paid to the Company's auditors for the years ended December 31, 2022 and 2021 are as follows:

Year	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	Other Fees <sup>(4)</sup>	Total
2022	\$51,728	\$39,000	Nil	\$510	\$91,238
2021	\$35,655	\$36,000	Nil	\$305	\$71,960

Notes:

- (1) "Audit fees" include the aggregate professional fees paid to the external auditors for the audit of the annual financial statements, MD&A, base shelf prospectus procedures and other annual regulatory audits and filings.
- (2) "Audit related fees" includes the aggregate fees paid to the external auditors for services related to the audit services, including reviewing quarterly financial statements and MD&A thereon and conferring with the Board and Audit Committee regarding financial reporting and accounting standards.
- (3) "Tax fees" include the aggregate fees paid to external auditors for tax compliance, tax advice, tax planning and advisory services, including timely preparation of tax returns.
- (4) "Other fees" include fees other than "Audit fees", "Audit related fees" and "Tax fees" above, which include CPAB and due diligence fees.

### **Exemption for Venture Issuers**

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.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No former, present or proposed director, officer or employee of the Company and none of their respective associates is or has been indebted to the Company at any time during the financial year ended December 31, 2022 and as at the date hereof. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

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

Except as disclosed in this Information Circular, neither the Company nor any director or officer of the Company, nor any proposed nominee for election as a director of the Company, nor any other insider of the Company, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2022, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Company.

## **MANAGEMENT CONTRACTS**

Management services for the Company are not, to any material degree, performed by persons other than the executive officers of the Company.

## **OTHER MATTERS**

Management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxies.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is contained in the Company's financial statements and MD&A for the year ended December 31, 2022. In addition, a Shareholder may obtain copies of the Company's financial statements and MD&A, by contacting the Company by mail at Suite 1100, 355 Burrard Street, Vancouver, BC V6C 2G8, or e-mail at [info@p2gold.com](mailto:info@p2gold.com).

**DATED** this 24<sup>th</sup> day of March, 2023.

## **ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed) “*Joseph Ovsenek*”  
President, Chief Executive Officer, Chairman and Director

## **SCHEDULE “A”**

### **P2 GOLD INC.**

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

##### **1. PURPOSE OF THIS CHARTER**

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of P2 Gold Inc. (the “**Company**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Company. The Committee’s primary duties and responsibilities are to:

- a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- b) assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- c) review the quarterly and annual financial statements and management’s discussion and analysis (“**MD&A**”) of the Company’s financial position and operating results and in the case of the annual financial statements and related MD&A, report thereon to the Board for approval of same;
- d) select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- e) provide oversight of all disclosure relating to, and information derived from, financial statements, MD&A and information.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

##### **2. AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b) set and pay the compensation for advisors employed by the Committee; and
- c) communicate directly with the internal and external auditors.

### 3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the BC Securities Commission, the TSX Venture Exchange, the *Business Corporations Act (British Columbia)* and all applicable securities regulatory authorities.

- a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst themselves by majority vote of the full Committee a member who shall serve as Chair.
- b) The majority of the Committee shall be “independent” and “financially literate”. An “independent” director is a director who has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*. A “financially literate” director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Company’s financial statements.
- c) Each member of the Committee shall serve at the pleasure of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.
- d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- e) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other means of communication, by giving at least 48 hours’ notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- f) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for the purposes hereof, to be present in person at the meeting.
- g) The Committee shall keep minutes of its meetings. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- h) Any director of the Company may attend meetings of the Committee, and the Committee may invite such officers and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

- i) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary.
- j) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- k) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

#### **4. RESPONSIBILITIES**

##### **4.1 Financial Accounting and Reporting Process and Internal Controls**

- a) The Committee shall review the annual audited and interim financial statements and related MD&A before the Company publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related MD&A, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Company's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Company. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, that the review function has been effectively carried out.
- b) Review and assess the adequacy and effectiveness of the Company's systems of internal control and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- c) The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, MD&A and annual and interim financial press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Company.
- d) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws

or otherwise pursuant to the policies of the Company (including before the Company publicly discloses this information).

- e) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
- f) The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.
- g) The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- h) The Committee shall periodically review and make recommendations regarding the Code of Business Conduct and Ethics adopted by the Board;
- i) The Committee shall establish procedures for:
  - the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or violations to the Company's Code of Business Conduct and Ethics; and
  - the submission by employees, consultants, contractors, directors or officers of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Company's Code of Business Conduct and Ethics.
- j) The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the Chief Financial Officer to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Company.
- k) The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

#### **4.2 Independent Auditors**

- a) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.

- b) The Committee shall ensure that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions.
- c) The pre-approval of the Committee shall be required prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- d) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.
- e) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- f) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- g) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
- h) The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- i) The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
- j) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

#### **4.3 Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

#### **5. CHAIR**

The Chair of the Committee should:

- a) provide leadership to the Committee with respect to its functions as described in this mandate and as otherwise may be appropriate, including overseeing the operation of the Committee;

- b) chair meetings of the Committee, unless not present, including in camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations of the Committee;
- c) ensure that the Committee meets at least once per quarter and otherwise as considered appropriate;
- d) in consultation with the Chair of the Board and the Committee members, establish dates for holding meetings of the Committee;
- e) set the agenda for each meeting of the Committee, with input from other Committee members, the Chair of the Board, and any other appropriate persons;
- f) ensure that Committee materials are available to any director upon request;
- g) act as liaison and maintain communication with the Chair of the Board and the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable; and
- h) report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board.

**SCHEDULE “B”**  
**P2 GOLD INC.**  
**STOCK OPTION PLAN**

**1. PURPOSE**

The principal purpose of this stock option plan (the “**Plan**”) is to authorize the grant of options (“**options**”) to purchase common shares in the capital of the Corporation (“**shares**”) to Eligible Persons of P2 Gold Inc. (the “**Corporation**”) and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing such Eligible Persons with the opportunity to acquire, through options, an increased proprietary interest in the Corporation.

**2. DEFINITIONS**

- (a) “**Affiliate**” means any Corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus Exemptions*;
- (b) “**Acceleration Event**” means
  - (i) the acquisition by any “offeror” (as defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
  - (ii) any consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Corporation with or into another corporation, as a result of which the shareholders of the Corporation immediately prior to the completion of the transaction hold less than 50% the outstanding capital stock of the successor Corporation immediately after completion of the transaction;
  - (iii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets, rights or properties of the Corporation and its Subsidiaries on a consolidated basis;
  - (iv) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
  - (v) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board, unless such election or appointment is approved by 50% or more of the Board in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened; or
  - (vi) the Board adopts a resolution to the effect that an Acceleration Event has occurred or is imminent;

- (b) **“Blackout Period”** has the meaning ascribed thereto in Section 9;
- (c) **“Board”** means the board of directors of the Corporation, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated;
- (d) **“Cause”** means:
  - (i) with respect to any optionee, unless the applicable option agreement states otherwise:
    - (1) if the optionee is a party to an employment or service agreement with the Corporation or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
    - (2) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the optionee’s employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Corporation or an Affiliate; (ii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates; (iii) gross negligence or willful misconduct with respect to the Corporation or an Affiliate; (iv) material violation of applicable laws; or (v) the willful failure of the optionee to properly carry out his or her duties on behalf of the Corporation or to act in accordance with the reasonable direction of the Corporation; and
  - (ii) the Board, in its absolute discretion, shall determine the effect of all matters and questions relating to whether an optionee has been discharged for Cause;
- (e) **“Company”** means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (f) **“Consultant”** means an individual (other than a director, senior officer, Employee or Management Company Employee of the Corporation) or Company that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate of the Corporation, other than services provided in relation to a Distribution (as defined under applicable securities laws);
  - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Company, as the case may be;

- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation;
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation; and
  - (v) does not engage in Investor Relations Activities;
- 
- (g) **“Corporation”** means P2 Gold Inc., a corporation duly incorporated pursuant to the *Business Corporations Act (British Columbia)*, and any successor corporation thereof;
  - (h) **“Eligible Person”** means any senior officer or director, Employee, Management Company Employee, Consultant, or Investor Relations Person of the Corporation or its wholly-owned subsidiaries;
  - (i) **“Employee”** means an individual who is a bona fide employee of the Corporation or of any Subsidiary and includes a bona fide permanent part-time employee of the Corporation or of any Subsidiary;
  - (j) **“Exchanged Share”** means a security that is exchanged for a share in an Acceleration Event;
  - (k) **“Exchanged Share Price”** means the product of the share to Exchanged Share ratio multiplied by the five day volume weighted average price of the Exchanged Shares on an exchange for the period ending one day prior to the effective time of the Acceleration Event, or, in the case of Exchanged Shares that are not listed or quoted for trading, the fair value of those Exchanged Shares, as determined by the Board, in its sole discretion, as of the day immediately preceding the effective time of the Acceleration Event;
  - (l) **“Exercise Notice”** has the meaning set out in Section 10;
  - (m) **“Exercise Price”** has the meaning ascribed thereto in Section 8;
  - (n) **“In-The-Money Amount”** means: (a) in the case of an Acceleration Event in which the holders of shares will receive only cash consideration, the difference between the Exercise Price of an option and the cash consideration paid per share pursuant to that Acceleration Event; (b) in the case of an Acceleration Event in which the holders of shares will receive Exchanged Shares, the difference between the Exercise Price of an option and the Exchanged Share Price; (c) in the case of an Acceleration Event in which the holders of shares will receive cash consideration and Exchanged Shares per share, the difference between the Exercise Price of an option and the sum of the cash consideration paid per share plus the Exchanged Share Price; or (d) in the case of cashless exercise of options in accordance with Section 11, the meaning set out in Section 11(c);

- (o) **“insider”** means any Person that is an insider of the Corporation, as such term is defined in the *Securities Act* (British Columbia);
- (p) **“Investor Relations Activities”** means activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
    - (1) to promote the sale of products or services of the Corporation, or
    - (2) to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
  - (ii) activities or communications necessary to comply with the requirements of
    - (1) applicable securities laws, policies or regulations,
    - (2) the rules, and regulations of the TSXV or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
    - (1) the communication is only through the newspaper, magazine or publication, and
    - (2) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (iv) activities or communications that may be otherwise specified by the TSXV;
- (q) **“Investor Relations Person”** means any director or senior officer, Employee, or Consultant whose roles and duties primarily consist of Investor Relations Activities;
- (r) **“Management Company Employee”** means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding an Investor Relations Person;
- (s) **“market price”** has the meaning set out in Section 8;

- (t) “**options**” has the meaning ascribed thereto in Section 1;
- (u) “**optioned shares**” means any unissued shares underlying options that have not been exercised by an optionee;
- (v) “**optionee**” means an Eligible Person to which options have been granted;
- (w) “**Person**” means a Company or individual;
- (x) “**Plan**” has the meaning ascribed thereto in Section 1;
- (y) “**shares**” has the meaning ascribed thereto in Section 1;
- (z) “**Subsidiary**” means a corporation which is a subsidiary of the Corporation, as defined under the *Securities Act* (British Columbia);
- (aa) “**TSXV**” means the TSX Venture Exchange; and
- (bb) “**VWAP**” means the volume weighted average trading price of the shares on the TSXV calculated by dividing the total value by the total volume of such securities trade for the five trading days immediately preceding the relevant date. Where appropriate, the TSXV may exclude internal crosses and certain other special terms trades from the calculation.

### **3. ADMINISTRATION**

The Plan shall be administered by the Board or a committee established by the Board for that purpose. Subject to approval of the granting of options by the Board, the Corporation shall grant options under the Plan.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

### **4. ELIGIBILITY**

Options shall be granted only to Eligible Persons. The Board shall have full and final authority to determine the Eligible Persons who are to be granted options under the Plan and the number of shares subject to each option.

### **5. SHARES SUBJECT TO PLAN**

Subject to adjustment under the provisions of Section 16 hereof, the aggregate number of shares of the Corporation which may be available for issuance under the Plan, together with any other security-based compensation plan of the Corporation (pre-existing or otherwise), will not exceed such number of shares as is equal to 10% of the total number of shares of the Corporation issued

and outstanding from time to time. The Plan is an “evergreen plan” and accordingly, any issuance of shares from treasury, including issuances of shares in respect of which options are exercised, and any expired or cancelled options, shall automatically replenish the number of shares issuable under the Plan.

The total number of shares which may be issued or reserved for issuance to any one Person (and Companies wholly owned by that Person) under the Plan within any 12 month period shall not exceed 5% of the issued and outstanding shares of the Corporation, calculated on the date an option is granted to such individual (unless the Corporation has obtained the requisite approval from disinterested shareholders).

The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to: (a) the admission of such shares to listing on any stock exchange on which the Corporation’s shares may then be listed; and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any Exercise Price paid to the Corporation shall be returned to the optionee.

For the purposes of this Section 5, the number of shares then outstanding shall mean the number of shares outstanding on a non-diluted basis on the date immediately prior to the proposed grant date of the applicable options.

#### **6. LIMITS WITH RESPECT TO INSIDERS**

- (a) The maximum number of shares which may be reserved for issuance to insiders (as a group) under the Plan, together with any other previously established and outstanding security-based compensation plans or grants, at any time, shall be 10% of the shares issued and outstanding (on a non-diluted basis); and
- (b) The maximum number of options which may be granted to insiders (as a group) under the Plan, together with any other previously established and outstanding security-based compensation plans or grants, within any 12-month period shall be 10% of the shares issued and outstanding, calculated on the date an option is granted to any insider (on a non-diluted basis).

#### **7. LIMITS WITH RESPECT TO CONSULTANTS AND INVESTOR RELATIONS PERSONS**

- (a) The maximum number of options which may be granted to any one Consultant under the Plan, together with any other of the Corporation’s previously established and outstanding security-based compensation plans or grants, within any 12 month period, must not exceed 2% of the issued and outstanding shares of the Corporation, calculated on the date an option is granted to such Consultant (on a non-diluted basis).
- (b) The maximum number of options which may be granted to all Investor Relations Persons under the Plan, together with any other of the Corporation’s previously established and outstanding security-based compensation plans or grants, within any 12 month period,

must not exceed, in the aggregate, 2% of the issued and outstanding shares of the Corporation, calculated on the date an option is granted to any such Investor Relations Person (on a non-diluted basis). The Board, through the establishment of appropriate procedures, shall monitor the trading in the securities of the Corporation by all optionees performing Investor Relations Activities.

## **8. EXERCISE PRICE**

The exercise price (the “**Exercise Price**”) for the shares of the Corporation under each option shall be determined by the Board on the basis of the market price, where “market price” shall mean the prior trading day closing price of the shares of the Corporation on any stock exchange on which the shares are listed or last trading price on the prior trading day on any dealing network where the shares trade, and where there is no such closing price or trade on the prior trading day, “market price” shall mean the average of the daily high and low board lot trading prices of the shares of the Corporation on any stock exchange on which the shares are listed or dealing network on which the shares of the Corporation trade for the five (5) immediately preceding trading days. In the event the shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board. The approval of disinterested shareholders will be required for any reduction in the Exercise Price of an option, if the optionee is an insider at the time of the proposed amendment. In addition, the Exercise Price will not be lower than as permitted by applicable TSXV policies (including in respect of options issued within 90 days of a prospectus offering of the Corporation).

## **9. TERM OF OPTIONS**

Subject to the provisions of this Section 9 and Sections 11, 13 and 14 below, the period within which an option may be exercised shall be determined by the Board at the time of granting the options provided, however, that all options shall not be granted for a term exceeding ten (10) years from the date of the option grant.

Notwithstanding the foregoing, in the event that the expiry date of an option falls within a trading blackout period imposed by the Corporation (a “**Blackout Period**”), and neither the Corporation nor the optionee in possession of the options is subject to a cease trade order in respect of the Corporation’s securities, then the expiry date of such option shall be automatically extended to the tenth (10th) business day following the end of the Blackout Period.

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.

The approval of disinterested shareholders will be required for any extension to the term of an option, if the optionee is an insider at the time of the proposed amendment.

## **10. REGULAR EXERCISE OF OPTIONS**

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise (the

“Exercise Notice”) specifying the number of optioned shares with respect to which the option is being exercised and accompanied by payment in cash, certified cheque, bank draft or wire transfer for the full amount of the purchase price of the shares then being purchased. Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares in the name of such optionee or the optionee’s legal personal representative or as may be directed in writing by the optionee’s legal personal representative. Certificates for such optioned shares shall be issued and delivered to the optionee within a reasonable time following the receipt of such notice and payment. Except as provided in Sections 11, 13 and 14 below, no option which is held by an optionee may be exercised unless the optionee is then an Eligible Person for the Corporation.

## **11. CASHLESS EXERCISE OF OPTIONS**

Subject to prior approval by the Board, an optionee may elect cashless exercise in its Exercise Notice. In such case, the optionee will not be required to deliver to the Corporation cash or other form of payment for the aggregate Exercise Price as provided in Section 10. Instead, the following provisions will apply:

- (a) The optionee will instruct a broker selected by optionee to sell through the TSXV, a sufficient number of shares issuable on the exercise of options to cover the Exercise Price, as soon as possible upon the issue of such shares to the optionee at the then applicable bid price of the shares.
- (b) Before the relevant trade date, the optionee will deliver the Exercise Notice including details of the trades to the Corporation electing the cashless exercise and the Corporation will direct its registrar and transfer agent to issue a certificate for such optionee’s shares in the name of the broker (or as the broker may otherwise direct) for the number of shares issued on the exercise of the options, against payment by the broker to the Corporation of (i) the Exercise Price for such shares; and (ii) the amount the Corporation determines, in its discretion, is required to satisfy the Corporation withholding tax and source deduction remittance obligations in respect of the exercise of the options and issuance of shares.
- (c) The broker will deliver to the optionee the remaining value of the options, net of any brokerage commission or other expenses (the “In-the-Money Amount”), in either (i) cash in an amount equal to the In-the-Money-Amount, or (b) such number of shares (rounded down to the nearest whole number) having an applicable market price equal to the In-the-Money Amount, plus a cash amount equal to the fraction of a share that would otherwise be issuable multiplied by the applicable market price.

## **12. NET EXERCISE OF OPTIONS**

Subject to prior approval by the Board, an optionee, other than an Investor Relations Person, may elect to surrender for cancellation to the Corporation any vested options being exercised and the Corporation will issue to the optionee, as consideration for the surrender of such options, that

number of shares (rounded down to the nearest whole share) on a net issuance basis in accordance with the following formula below:

$$X = (Y(A - B))/A$$

where:

- X = The number of shares to be issued to the optionee in consideration for the net exercise of the options under this section 12;
- Y = The number of vested options with respect to the vested portion of the option to be surrendered for cancellation;
- A = The VWAP of the shares; and
- B = The Exercise Price for such options.

The Corporation may elect to forego any deduction in accordance with subsection 110(1.1) of the Income Tax Act (Canada) with respect to options settled on a net exercise basis.

### **13. VESTING RESTRICTIONS**

Options issued under the Plan may vest and become exercisable at the discretion of the Board provided that if required by any stock exchange on which the shares of the Corporation trade: (i) any options granted at an Exercise Price calculated as an allowable discount to the applicable market price shall contain such vesting restrictions as may be required by such stock exchange; and (ii) any options granted to an Investor Relations Person must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the aggregate number of options granted vesting in any single three month period.

### **14. EVIDENCE OF OPTIONS**

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

### **15. CESSATION OF PROVISION OF SERVICES**

Subject to Section 14 below, if any optionee ceases to be an Eligible Person of the Corporation for any reason, other than as a result of having been dismissed for Cause or as a result of the optionee's death, such optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such optionee, if earlier) from the date of ceasing to be an Eligible Person to exercise the options of such optionee, to the extent they were exercisable on the date of ceasing to be an Eligible Person, subject to extension by the Board to a maximum of one (1) year with approval from the TSXV. Upon the expiration of such 90-day (or one (1) year) period all unexercised options of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of option granted to such optionee under the Plan.

If an optionee ceases to be either an Eligible Person as a result of having been dismissed from any such position for Cause, all unexercised options of that optionee under the Plan shall immediately

become terminated and shall lapse, notwithstanding the original term of the option granted to such optionee under the Plan.

If an optionee engaged in providing Investor Relations Activities to the Corporation ceases to be employed in providing such Investor Relations Activities, such optionee shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such optionee, if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise the options of such optionee under the Plan, to the extent they were exercisable on the date of ceasing to provide such Investor Relations Activities. Upon the expiration of such 30-day period all unexercised options of that optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such optionee under the Plan.

#### **16. DEATH OF OPTIONEE**

In the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall vest and be exercisable within, but only within, the period of one year next succeeding the optionee's death or until the normal expiry date of the option rights of such optionee if earlier.

#### **17. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION**

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

#### **18. ADJUSTMENTS IN SHARES SUBJECT TO PLAN**

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation at the discretion of the Board. The options granted under the Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the Exercise Price in the event of any such change. Any adjustment, other than in connection with a stock consolidation or stock split, to options granted or issued under this Plan, is subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

The approval of disinterested shareholders is required for any reduction in the Exercise Price, or extension to the term, of an option, if the optionee is an insider at the time of the proposed amendment.

#### **19. EFFECT OF AN ACCELERATION EVENT**

If at any time when an option granted under this Plan remains unexercised with respect to any optioned shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or

- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted in whole or in part, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule related to each optionee's options so that notwithstanding the other terms of the Plan, such option may be conditionally exercised in whole or in part by the optionee and the optioned shares may be conditionally issued to each such optionee so (and only so) as to permit the optionee to tender the shares received in connection with the exercise of the options pursuant to the offer.

In the event of an Acceleration Event, the vesting of all options and the time for the fulfillment of any conditions or restrictions on such vesting events may be accelerated to the date and time immediately prior to the effective time of the Acceleration Event.

Further, the Board, in its sole discretion, may authorize and implement any one or more of the following additional courses of action in the event of an Acceleration Event:

- I. terminating without any payment or other consideration, any options not exercised or surrendered by the effective time of the Acceleration Event;
- II. causing the Corporation to offer to acquire from each optionee his or her options for a cash payment equal to the In-The-Money Amount, and any options not so surrendered or exercised by the effective time of the Acceleration Event will be deemed to have expired; and
- III. an option granted under the Plan be exchanged for an option to acquire, for the same aggregate consideration, that number and type of securities as would be distributed to the optionee in respect of the shares issued to the optionee had he or she exercised the option prior to the effective time of the Acceleration Event, provided that any such replacement option must provide that it survives for a period of not less than one year from the effective time of the Acceleration Event, regardless of the continuing directorship, officership or employment of the optionee.

For greater certainty, and notwithstanding anything else to the contrary contained in the Plan, the Board shall have the power, in its sole discretion, in any Acceleration Event which may or has occurred, to make such arrangements as it shall deem appropriate for the exercise of outstanding options including, without limitation, to modify the terms of the Plan and/or the options as contemplated above. If the Board exercises such power, the options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the optionee at any time or from time to time as determined by the Board prior to or in conjunction with completion of the Acceleration Event.

Notwithstanding the foregoing, prior written approval of the TSXV is required for the acceleration of the vesting requirements applicable to options granted to an Investor Relations Person.

## **20. EMPLOYMENT**

Nothing contained in the Plan shall confer upon any optionee any right with respect to employment or continuance of employment with the Corporation or any Subsidiary, or interfere in any way with the right of the Corporation, or any Subsidiary, to terminate the optionee's employment at any time. Participation in the Plan by an optionee is voluntary.

## **21. NO SHAREHOLDER RIGHTS PRIOR TO EXERCISE**

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

## **22. TAX MATTERS**

The Corporation shall have the power and the right to deduct or withhold, or require an optionee to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the optionee (whether arising pursuant to the optionee's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by issuing and selling on behalf of the optionee as the optionee's agent such number of shares issuable upon exercise of the options as it determines are required to satisfy any withholding obligations net of selling costs. The optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such shares issuable upon exercise of the options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such shares issuable upon exercise of the options.

## **23. AMENDMENT AND TERMINATION OF THE PLAN**

Subject to any requisite shareholder and regulatory approvals, the Board may at any time amend or terminate the Plan.

## **24. EFFECTIVE DATE OF THE PLAN**

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

## **25. GOVERNING LAW**

This Plan shall be construed in accordance with and be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and shall be in accordance with all applicable securities laws.