

MCFARLANE LAKE

MINING

MCFARLANE LAKE MINING LIMITED

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON MARCH 4, 2024

**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR**

DATED: January 24, 2024

MCFARLANE LAKE MINING LIMITED
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the **Annual General Meeting of Shareholders** (the “**Meeting**”) of McFarlane Lake Mining Limited (the “**Corporation**”) will be held in person at Wildeboer Dellelce Place, 365 Bay Street, Suite 800, Toronto, Ontario M5H 2V1 on Monday, March 4, 2024 at 11:00 a.m. (Toronto time) for the following purposes:

1. **TO RECEIVE** the audited financial statements of the Corporation for the financial year ended August 31, 2023 and the report of the auditor thereon;
2. **TO APPOINT** the Corporation’s auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
3. **TO ELECT** the directors of the Corporation; and
4. **TO TRANSACT** such other business as may properly come before the Meeting or any adjournment thereof.

You are encouraged to make sure that your votes are represented at the Meeting. Additional information on how to vote your common shares of the corporation (the “Common Shares”) in advance of the Meeting is enclosed. Please take the time to vote using the form of proxy or voting instruction form sent to you in accordance with the instructions thereon so that your Common Shares are voted according to your instructions and represented at the Meeting.

The Board has fixed the close of business on January 17, 2024 as the record date (the “**Record Date**”) for the Meeting. Only holders of record of the Corporation’s common shares at the close of business on the Record Date, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described in the accompanying Circular are entitled to notice of, and to vote at, this Meeting.

Particulars of the foregoing matters are set forth in the accompanying management information circular (the “**Circular**”). The Corporation has elected to use the notice and access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (together, the “**Notice and Access Provisions**”) for the Meeting. The Notice and Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Corporation to post the Circular and any additional materials online. Shareholders will still receive this notice of meeting and a form of proxy and may choose to receive a hard copy from the Corporation. In relation to the Meeting, all shareholders will receive the required documentation under the Notice and Access Provisions, which will not include a paper copy of the Circular.

The audited financial statements of the Corporation as at and for the year ended August 31, 2023 and the report of the auditor of the Corporation thereon can be viewed on any of the following: (i) the Corporation’s website at <https://mcfarlanelakemining.com/>; (ii) on the Corporation’s SEDAR+ profile at www.sedarplus.ca; or at (iii) <https://odysseytrust.com/client/mcfarlane/>.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the accompanying form of proxy in the enclosed return envelope or for convenience to log on to the website indicated on the form of proxy or voting instruction form, enter the control number and vote their Common Shares online. All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be voted online or delivered to the registered office of the Corporation located at 15 Kincora Court, Sudbury, Ontario, P3E 2B9, or deposited with Odyssey Trust Company located in the Trader's Bank Building 702 at 67 Yonge Street, Toronto, Ontario, M5E 1J8, by 11:00am. Eastern Daylight Time on Thursday, February 29, 2024.

DATED at Toronto, Ontario this 24th day of January, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) Mark Trevisiol

Mark Trevisiol

Chief Executive Officer, President and Director

**MCFARLANE LAKE MINING LIMITED
MANAGEMENT INFORMATION CIRCULAR**

Unless otherwise specified, information contained in this management information circular (the “**Circular**”) is as of January 24, 2024.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by McFarlane Lake Mining Limited (the “**Corporation**”). The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

All references to shareholders in this Circular and the accompanying form of proxy (the “**Form of Proxy**”) and notice of meeting (the “**Notice of Meeting**”) are to shareholders of record as of the close of business on January 17, 2024, unless specifically stated otherwise.

You are encouraged to make sure that your votes are represented at the Meeting. Additional information on how to vote your Common Shares (as hereinafter defined) in advance of the Meeting is enclosed. Please take the time to vote using the Form of Proxy or voting instruction form (“VIF”) sent to you in accordance with the instructions thereon so that your shares are voted according to your instructions and represented at the Meeting.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation by and on behalf of the management of the Corporation of proxies to be used at the annual general meeting (the “**Meeting**”) of holders of the common shares of the Corporation (the “**Common Shares**”) to be held at Wildeboer Dellelce Place, 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1 on Monday, March 4, 2024 at 11:00 a.m. (Toronto time). The Meeting will be held for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be primarily by mail, subject to the Notice and Access (as hereinafter defined) process. Directors, officers or employees of the Corporation may solicit proxies personally or by telephone at nominal cost. The cost of any such solicitation by management will be borne by the Corporation.

MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed Form of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such Common Shares will be voted **FOR** the appointment of McGovern Hurley LLP, Chartered Professional Accounts, as the Corporation’s auditors and **FOR** the election of the nominees as directors, each of whom are set forth below in the *Business of Meeting – Item 3 – Election of Directors* section of this Circular.

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

APPOINTMENT OF PROXIES

The persons named in the enclosed Form of Proxy are directors or officers of the Corporation. A shareholder desiring to appoint some other person to represent him, her or them at the Meeting may do so by inserting such person's name, who need not be a shareholder of the Corporation, in the blank space provided in the enclosed Form of Proxy and striking out the names of the two persons specified or by completing another proper Form of Proxy. In all cases, the completed Form of Proxy must be voted online or delivered to the registered office of the Corporation located at 15 Kincora Court, Sudbury, Ontario, P3E 2B9, or deposited with Odyssey Trust Company located in the Trader's Bank Building 702 at 67 Yonge Street, Toronto, Ontario, M5E 1J8, by 11:00 a.m. on Thursday, February 29, 2024.

REVOCAION OF PROXIES

A registered shareholder of the Corporation who has given a proxy may revoke the proxy as to any motion on which a vote has not already been cast pursuant to the authority conferred by it by: (a) depositing an instrument in writing, including another completed Form of Proxy, executed by such registered shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, either (i) at the principal office of the Corporation located at 15 Kincora Court, Sudbury, Ontario, P3E 2B9, at any time prior to 11:00 a.m. (Toronto time) on Thursday, February 29, 2024; (ii) with Odyssey Trust Company located in Trader's Bank Building 702 at 67 Yonge Street, Toronto, Ontario M5E 1J8, at any time prior to 11:00 a.m. (Toronto time) on Thursday, February 29, 2024; or (iii) with the chair of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraph (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law.

NOTICE AND ACCESS

The Corporation has elected to use the notice and access process ("**Notice and Access**") under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered shareholders of the Corporation and non-registered shareholders of the Corporation as set out below under the heading "Voting by Non-Registered Shareholders". Notice and Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via the System for Electronic Data Analysis and Retrieval + ("**SEDAR+**") and one other website, rather than mailing paper copies of such meeting materials to shareholders.

The Corporation has posted this Circular, the Corporation's audited financial statements for the year ended August 31, 2023 (the "**Annual Financial Statements**") and the Corporation's management discussion and analysis for the year ended August 31, 2023 (the "**Annual MD&A**") on the Corporation's SEDAR+ profile at www.sedarplus.ca, the Corporation's website at <https://mcfarlanelakemining.com/> and at <https://odysseytrust.com/client/mcfarlane/>.

Although the Circular, Annual Financial Statements and Annual MD&A (collectively, the "**Meeting Materials**") will be posted electronically online, as noted above, the registered shareholders and non-registered shareholders (subject to the provisions set out below under the heading "Voting by Non-Registered Shareholders") will receive a "notice package" (the "**Notice and Access Notification**"), by prepaid mail, which includes the information prescribed by NI 54-101, and a Form of Proxy or VIF from

their respective intermediaries. Shareholders should follow the instructions for completion and delivery contained in the Form of Proxy or VIF. Shareholders are reminded to review the Circular before voting their Common Shares. The Corporation will not use procedures known as “stratification” in relation to using Notice and Access. Stratification occurs when a reporting issuer using Notice and Access provides a paper copy of the information circular to some shareholders with the notice package.

The Corporation is not mailing the Meeting Materials directly to “non-objecting beneficial owners” (“**NOBOs**”). NOBOs are beneficial owners who have indicated that the issuer whose securities they beneficially hold as Non-Registered Shareholders (as defined below) may have certain information disclosed to such issuers such as the Non-Registered Shareholder’s name, address and number of securities of the issuer such shareholder beneficially holds. The Corporation does not intend to pay for the cost of delivery to “objecting beneficial owners” (“**OBOs**”). OBOs are Non-Registered Shareholders who have indicated that they do not want the issuer whose securities they beneficially hold to be provided any information regarding such shareholder, and as a consequence any such OBOs will not receive the Meeting Materials unless the OBOs’ Intermediaries (as defined below) assume the cost of delivery.

Shareholders will not receive a paper copy of the Meeting Materials unless they contact Odyssey Trust Company at 1-888-290-1175, in which case Odyssey Trust Company will mail the requested materials within three (3) business days of any request, provided the request is made prior to the Meeting, as set out below. Shareholders with questions about Notice and Access may contact Odyssey Trust Company toll free within North America at 1-888-290-1175 and outside North America at 1-587-885-0960. Requests for paper copies of the Meeting Materials must be received at least ten (10) days in advance of the proxy deposit cut-off date and time, which is 11:00 a.m. on Thursday, February 29, 2024. Therefore, in order to receive a paper copy of the Meeting Materials in advance of the proxy deposit cut-off date, your request should be received by February 19, 2024.

VOTING BY NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders do not hold their Common Shares in their own name and therefore are considered non-registered shareholders (“**Non-Registered Shareholders**”). If Common Shares are listed in an account statement provided to a shareholder by a broker then, in almost all cases, those Common Shares will not be registered in the shareholder’s name on the records of the Corporation and such shareholder will be a Non-Registered Shareholder. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker or another similar intermediary (in each case, an “**Intermediary**”) holding on the shareholder’s behalf.

The Meeting Materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner, your Intermediary has sent the Meeting Materials to you on behalf of the Corporation.

In some cases, an Intermediary holding on behalf of a NOBO will date and sign the Corporation’s Form of Proxy and send it to the NOBO for such NOBO to complete the voting instructions. If you have received the Corporation’s Form of Proxy directly, you may return it to Odyssey Trust Company by regular mail in the return envelope provided or by fax at 1-800-517-4553 or by email to: shareholders@odysseytrust.com.

Only registered shareholders, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, NOBOs may also direct the voting of Common Shares that they beneficially own. The intermediary holding your Common Shares on your behalf has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions to your Intermediary as specified in the request for voting instructions. OBOs and other

beneficial holders receive a VIF from their Intermediary if such Intermediary has assumed the cost of mailing the Meeting Materials to the OBOs on whose behalf they are holding the Common Shares. Detailed instructions as to how to submit your vote will be on the VIF, or you may contact your Intermediary for additional instructions.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a Form of Proxy or VIF wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the persons named in the Form of Proxy or VIF and insert the Non-Registered Shareholder's name in the blank space provided or, in the case of a VIF, follow the directions indicated on the VIF. Non-Registered Shareholders who receive a VIF from an Intermediary should carefully follow the instructions of their Intermediary including those regarding when and where the VIF is to be delivered.

A Non-Registered Shareholder who has submitted a VIF may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's Common Shares are held and following the Intermediary's instructions. A Non-Registered Shareholder who has submitted the Corporation's Form of Proxy may revoke it in the manner described in the Form of Proxy but will need the assistance of the Intermediary holding on behalf of such Non-Registered Shareholder as only registered holders may sign the Form of Proxy. Please refer to the sections entitled "Appointment of Proxies" and "Revocation of Proxies".

VOTING SHARES AND RECORD DATE

The Corporation is authorized to issue an unlimited number of Common Shares without par value carrying the right to one vote per share at all meetings of the shareholders of the Corporation. The Common Shares trade on Cboe Canada Inc. ("Cboe") under the ticker symbol "MLM" and on the OTCQB Venture Market under the ticker symbol "MLMLF".

As of January 24, 2024, the Corporation had 198,618,851 Common Shares issued and outstanding.

In accordance with the provisions of the *Business Corporations Act* (Ontario) (the "Act"), the Corporation has fixed January 17, 2024 as the record date (the "**Record Date**") for the purpose of determining the shareholders who are entitled to vote at the Meeting. The Corporation will prepare a list of holders of its Common Shares as at the close of business on the Record Date. A shareholder named in the list will be entitled to vote the Common Shares shown opposite its name at the Meeting and all adjournments thereof.

QUORUM

The presence of shareholders or proxy holders entitled to cast votes at the Meeting holding not less than 10% of the outstanding Common Shares of the Corporation will constitute a quorum. The Corporation's list of shareholders as of the Record Date has been used to deliver to shareholders the Notice of Meeting and this Circular as well as to determine who is eligible to vote.

SHAREHOLDER APPROVALS

Unless otherwise noted, approval of matters to be placed before the Meeting is by an "ordinary resolution", which is a resolution passed by a simple majority (50% plus 1) of the votes cast by shareholders of the Corporation entitled to vote and present in person or represented by proxy.

PRINCIPAL HOLDERS OF VOTING SHARES

As of January 24, 2024, to the knowledge of the directors and senior officers of the Corporation, the following persons or companies beneficially own, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation:

- Mark Trevisiol – 22,115,667 Common Shares (11,949,667 directly and 10,166,000 indirectly) representing 11.1% of the issued and outstanding Common Shares. Mark Trevisiol also holds 3,250,000 stock options (“**Options**”), 2,200,000 common share purchase warrants (“**Warrants**”) (250,000 directly and 1,950,000 indirectly), and 3,500,000 restricted share units (“**RSUs**”) of the Corporation.
- Evanachan Limited – 20,000,000 Common Shares representing 10.70% of the issued and outstanding Common Shares. Evanachan Limited also directly holds 20,000,000 Warrants of the Corporation.

Information regarding shareholdings of the Corporation by the above named persons or companies, not being within the knowledge of the Corporation, is taken from public sources posted by the holders thereof.

BUSINESS OF THE MEETING

Item 1 – Receipt of Financial Statements

The audited Annual Financial Statements of the Corporation and related Annual MD&A for the financial year ended August 31, 2023, will be placed before the Meeting but shareholders will not be asked to vote thereon.

Copies of the Corporation’s audited Annual Financial Statements for the financial year ended August 31, 2023 together with the report of the auditors thereon and related Annual MD&A are available upon request from the Corporation or can be accessed at <https://mcfaranelakemining.com/>, the Corporation’s profile at www.sedarplus.ca and at <https://odysseytrust.com/client/mcfarlane/>.

Item 2 – Appointment and Remuneration of Auditors

It is proposed to appoint McGovern Hurley LLP, Chartered Professional Accountants, of Toronto, Ontario as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix their remuneration. McGovern Hurley LLP, Chartered Professional Accounts, has been the auditors of the Corporation since January 14, 2022.

The board of directors (the “Board”) recommends a vote FOR the reappointment of McGovern Hurley, Chartered Professional Accountants, as auditor of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration. Unless another choice is specified, the persons named in the enclosed Form of Proxy intend to vote FOR the appointment of McGovern Hurley LLP, Chartered Professional Accountants, as auditor of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration.

Item 3 – Election of Directors

Nominees for election as Directors

The following tables sets forth the names of all the persons proposed to be nominated for election as directors, as well as additional details regarding their place of residence, principal occupation, the period of time for which he or she has been a director of the Corporation, and the number and percentage of Common Shares beneficially owned or controlled as at the date hereof. In accordance with the special resolution of the shareholders of the Corporation dated March 6, 2023, empowering the Board to set the number of directors to be elected at a meeting of shareholders, the Board has determined that there will be eight 8 directors elected at the Meeting.

Name, Place of Residence and Independent vs. Non-Independent Director	Position with the Corporation and Date First Appointed to the Board	Principal Occupation	Number and Percentage of Shares Beneficially Owned or Controlled as of January 24, 2024	2023 Board Attendance
Amanda Fullerton Ontario, Canada ⁽¹⁾ Independent Director	Director (January 14, 2022)	General Counsel & Corporate Secretary at Denarius Metals Corp. since February 2021 and a non-executive Chair at MacDonald Mines Exploration Ltd. since June 2021. Prior to that, Amanda was the General Counsel & Corporate Secretary at GCM Mining Corp. from March 25, 2019 to September 26, 2022 and the Vice President, Legal of Macquarie Capital Markets Canada Ltd. from March 24, 2014 to March 22, 2019.	-	Board 5 of 5 Audit Committee 3 of 3 CGN Committee 2 of 2 Overall 100%
Charles Lilly Ontario, Canada Non-Independent Director	Director & Chief Financial Officer (January 14, 2022)	Partner and owner at Sostarich, Ross, Wright & Cecutti, LLP. Prior to that, Charles was a Director and Treasurer at Bradmer Pharmaceuticals Inc. from September 2008 to September 2018.	12,500 (0.01%)	Board 5 of 5 Audit Committee 3 of 3 Overall 100%
Deborah Battiston Ontario, Canada ⁽²⁾	Director (January 13, 2023)	Director at Savanna Capital Corp. and director at Euro Sun Mining Inc. Prior to	-	

Independent Director		that, Deborah was a senior officer at Savanna Capital Corp., senior officer at O2Gold Inc., Jourdan Resources Inc., Q-Gold Resources Ltd., Medivolve Inc. until January 2022. Deborah was also a senior officer at Flora Growth Corp. until June 2021, a senior officer at Silo Wellness Inc. until March 2021, a director at Sulliden Mining Capital Inc. until June 2020, a senior officer at Sulliden Mining Capital Inc. until June 2020, a senior officer at QMX Gold Corporation until September 2020, and a senior officer at ARHT Media Inc. until August 2019.		Board 2 of 2 ⁽³⁾ Audit Committee 2 of 2 CGN Committee 2 of 2 Overall 100%
Fergus Kerr Ontario, Canada ⁽⁴⁾ Independent Director	Director (January 14, 2022)	Currently self-employed as a consultant. Prior to that, Fergus was the Vice President of Operations at Global Atomic Fuels from 2011 to 2018.	500,000 (0.25%)	Board 4 of 5 Audit Committee 1 of 3 CGN Committee 2 of 2 Overall 70%
Mark Trevisiol Ontario, Canada Non-Independent Director	Director, President & Chief Executive Officer (January 14, 2022)	Vice President of Project Development at Electra Battery Materials Corporation (formerly First Cobalt Corp.) since August 2020 and Site Manager at Northern Sun Mining Corp.	22,115,667 (11.13%)	Board 5 of 5 Overall 100%

Perry N. Dellelce Ontario, Canada Independent Director	Director (January 14, 2022)	Managing Partner at Wildeboer Dellelce LLP, Director at Mount Logan Capital since October 2020, and Director at Lendified Holdings Inc. since April 2020. Prior to that, Perry was the Chair of the Board at Mind Medicine Inc. from February 2020 to December 2021.	11,471,725 (5.78%)	Board 5 of 5 Overall 100%
Dario Zulich Ontario, Canada ⁽⁵⁾ Independent Director	Director (May 8, 2023)	Currently, the Co-Chief Executive Officer of TESC Consulting and Chief Executive Officer of SW Sports and Entertainment Inc.	3,751,000 (1.89%)	Board 1 of 1 ⁽³⁾ CGN Committee 1 of 1 ⁽³⁾ Overall 100%
Roger Emdin Ontario, Canada Non-Independent Director	Director & Chief Operating Officer (January 14, 2022)	Previously the Vice President, Projects and Vice President, Operations at Silver Lake Ontario Inc. (formerly, Harte Gold Corp.) until November 2019.	3,170,000 (1.60%)	Board 5 of 5 Overall 100%

Notes:

- (1) Member of the Audit Committee and Chair of the Compensation, Nomination and Governance Committee (the “**CGN Committee**”).
- (2) As of January 12, 2023, Deborah Battiston became the Chair of the Audit Committee and a member of the CGN Committee. Although subsequent to the August 31, 2023, year-end, Ms. Battiston resigned from the CGN Committee, she attended each of the CGN Committee meeting during the 2023 year.
- (3) Deborah Battiston became a director of the Board on January 22, 2023. During her time as director of the Board in the fiscal year 2023, only two Board meetings were held. Similarly, Dario Zulich became a director of the Board on May 8, 2023, and a member of the CGN Committee after August 31, 2023. As such, only one Board and CGN Committee meeting was held following his appointment during the fiscal year 2023.
- (4) Member of the Audit Committee, CGN Committee and the Lead Independent Chair of the Board.
- (5) Subsequent to the August 31, 2023, year-end, Dario Zulich became a member of the CGN Committee.

Biographies of Directors

Biographical information regarding the foregoing is set forth below:

Amanda Fullerton: Ms. Fullerton is currently the general counsel and corporate secretary at Denarius Metals Corp. and the non-executive Chair at MacDonald Mines Exploration Ltd. Previously, she was the general counsel and corporate secretary at GCM Mining Corp. Ms. Fullerton has over 15 years of experience in the areas of corporate finance, securities, mergers and acquisitions and corporate/commercial law focused primarily in the resource sector, gained through her previous positions at Macquarie Capital Markets Canada Ltd., Fasken Martineau DuMoulin LLP and Norton Rose Fulbright LLP. She holds an LL.B. from the University of Ottawa and a Bachelor of Medical Science (Hons.) degree in Physiology from Western University.

Charles Lilly: Mr. Lilly is a partner in the public accounting firm of SRWC LLP. Prior to that, Mr. Lilly was a director and treasurer at Bradmer Pharmaceuticals Inc. for ten years. Mr. Lilly has a B. Comm from Laurentian University, where he graduated Summa Cum Laude, and an M.B.A. from the University of Toronto. Mr. Lilly has served both as an officer and director several public corporations listed on the Toronto Stock Exchange and the Toronto Venture Stock Exchange.

Deborah Battiston: Ms. Battiston is currently a director at Savanna Capital Corp. where she formerly served as a senior officer of the company, and is a director at Euro Sun Mining Inc. Prior to Savanna Capital Corp., Ms. Battiston was a senior officer at various corporations, including O2Gold Inc., Jourdan Resources Inc., Q-Gold Resources Ltd., Medivolve Inc., Flora Growth Corp., Silo Wellness Inc., and Sulliden Mining Capital Inc. She was also a director at Sulliden Mining Capital Inc. until June 2020. Ms. Battiston is a Chartered Professional Accountant and an ICD.D (Institute of Corporate Director's Director) obtained from the University of Toronto's Rotman School of Management. Ms. Battiston also holds a B.A. in Economics from the University of Guelph.

Fergus Kerr: Mr. Kerr is a Professional Mining Engineer and is currently self employed as a consultant. Mr. Kerr is a graduate of the Royal School of Mines and a mining engineer with over 35 years of experience, including 14 years at Denison Mine's Elliot Lake uranium mine, where he served as general manager for five years. After working at Denison Mine's Elliot Lake, Mr. Kerr served as sector director at Workplace Safety & Insurance Board, and mine manager at Inco LLC Area Manager at Inco's Sudbury operations. Mr. Kerr also served as the vice president of operations at Global Atomic Fuels for seven years.

Mark Trevisiol: Mr. Trevisiol is a professional engineer with 30 years of experience in mineral processing, mining, capital projects and executive management. Mr. Trevisiol spent over 20 years with Glencore predecessor companies Falconbridge Ltd. and Xstrata Nickel, where he was a general manager of business development and strategy, a general manager of the Sudbury Smelter Business Unit, a manager of smelter operations, and a superintendent of the Kidd Creek Zinc Plant. Mr. Trevisiol is currently the vice president of project development at Electra Battery Materials Corporation (formerly First Cobalt Corp.) and site manager at Northern Sun Mining Corp. He has worked across several commodities, including nickel, cobalt, zinc, copper, lithium, gold, and silver. Mr. Trevisiol holds an Engineering degree from the University of Waterloo.

Perry N. Dellelce: Mr. Dellelce is the founder and managing partner of Wildeboer Dellelce LLP, one of Canada's leading corporate finance transactional law firms. Mr. Dellelce practices in the areas of securities, corporate finance and mergers and acquisitions. Mr. Dellelce currently serves as a director of a number of private and public companies, including Mount Logan Capital (NEO: MLC), and Cboe Canada Inc. Prior to that, Mr. Dellelce served as the chair of the board at Mind Medicine Inc. (NASDAQ: MNMD)(NEO: MMED) for two years. Mr. Dellelce is also the chair of the board of the Canadian Olympic

Foundation and former chair and current member of the Board of the Sunnybrook Foundation. He was called to the Ontario Bar in 1992. Mr. Dellelce holds a Bachelor of Arts from the University of Western Ontario, an M.B.A from the University of Notre Dame and an LL.B. from the University of Ottawa.

Dario Zulich: Mr. Zulich is the co-chief executive officer of TESC consulting and chief executive officer of SW Sports and Entertainment Inc., which directs a portfolio of companies, including the Sudbury Wolves Hockey Club, the Sudbury Five Basketball Club, and the Sudbury Spartans Football Club. He holds an Honors Degree in Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

Roger Emdin: Mr. Emdin is a professional mining engineer with more than 30 years of global experience in operations, projects, engineering and sustainable development in both base metal and gold mining environments. Mr. Emdin started out in gold with the Dome and Canamax Resources in Ontario before turning to base metals in Zambia, returning to Canada but working globally as a consultant. Mr. Emdin joined Glencore (Falconbridge) filling various roles including, engineering superintendent, mine manager (Craig & Nickel Rim South) and of manager sustainable development for Sudbury Operations before coming back to gold in 2015 as the vice president of operations for Harte Gold. Mr. Emdin served as the industry co-chair for the Mining Legislative Review Committee for 7 years, was active in the Ontario Mining Association and served as the chair of the board of directors for the Centre for Excellence in Mining Innovation (CEMI). Mr. Emdin also participated with the Ontario government as a member of the Advisory Group to the Mining Health and Safety Prevention Review and was a member of the board for Cambrian College for six years including roles of chair of the audit committee and chair of the board.

Cease Trade Orders and Bankruptcies

Other than as set forth below:

- (i) to the best of the Corporation's knowledge, no proposed Director is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any 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 that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) 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 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;
- (ii) to the best of the Corporation's knowledge, no proposed Director: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, or within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and

- (iii) to the best of the Corporation’s knowledge, no proposed Director has been subject to any: penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority.

Mr. Dellelce is a director of Lendified Holdings Inc. (“LHI”). A cease trade order was issued against LHI by the Ontario Securities Commission on July 9, 2020 (the “**Cease Trade Order**”) for failure to file audited annual financial statements of Lendified PrivCo Holding Corporation for the year ended December 31, 2019. LHI was granted a partial revocation of the Cease Trade Order on August 14, 2020 to permit it to sell units, comprised of its common shares and warrants, by way of private placement. The Cease Trade Order was revoked by the Ontario Securities Commission on October 1, 2020 and trading of LHI shares on the TSX Venture Exchange resumed on November 3, 2020. On November 23, 2022, LHI announced that it had received demand letters and notices of intention to enforce security from its secured creditors. On January 18, 2023, LHI announced that the sale of the assets by the secured creditors had been completed, and that as a result of such seizure and sale it no longer had any operating business.

The Board recommends a vote FOR the election of each of the nominated directors. Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the election of the individuals set forth in the tables above. Management does not contemplate that any of such nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. Receipt at the Meeting of reports to the directors and auditors and the Corporation’s Annual Financial Statements and the auditors’ report thereon will not constitute approval or disapproval of any matters referred to therein. If any matters which are not now known should properly come before the Meeting, the accompanying Form of Proxy will be voted on such matters in accordance with the best judgment of the person voting it.

STATEMENT OF EXECUTIVE COMPENSATION

All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

Compensation Discussion & Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation’s executive compensation philosophy, objectives and processes and to discuss compensation decisions relating to the Corporation’s senior executives, being the Chief Executive Officer (“**CEO**”) and the Chief Financial Officer (“**CFO**”), regardless of the amount of compensation of those individuals, each of the Corporation’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recent fiscal year ended August 31, 2023 and whose total compensation during the most recent fiscal year exceeded \$150,000, and each individual who would be a Named Executive Officer but for the fact that the individual was neither an executive officer of the Corporation, nor serving in a similar capacity, at the end of the fiscal year ended August 31, 2023 (the “**Named Executive Officers**”).

The Corporation’s policies on compensation for its Named Executive Officers are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects

individual achievements in the context of the Corporation. The overriding principles in establishing executive compensation provide that compensation should:

- (a) reflect fair and competitive compensation commensurate with an individual's experience and expertise in order to attract and retain highly qualified executives;
- (b) reflect recognition and encouragement of leadership, entrepreneurial spirit and teamwork;
- (c) reflect an alignment of the financial interests of the executives with the financial interest of the shareholders;
- (d) include security based compensation and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives;
- (e) reflect a contribution to enhancement of shareholder value; and
- (f) provide incentive to the executives to continuously improve operations and execute on corporate strategy.

The Corporation's executive compensation program encompasses three elements as follows:

- (a) base salary;
- (b) short-term compensation incentives for management through cash bonuses; and
- (c) long-term compensation incentives related to long-term increases in share value.

Compensation, Nomination and Governance Committee

The CGN Committee currently consists of Amanda Fullerton (Chair), Dario Zulich and Fergus Kerr, all of whom are considered to be independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"). In order to ensure that the process for determining executive compensation remains objective, the Board has satisfied itself that the members of the CGN Committee understand and consider the broad objectives of the Corporation with regard to compensation. Each member of the CGN Committee possesses the skills and experience necessary to make decisions on the suitability of the Corporation's compensation policies and practices.

The CGN Committee's primary responsibilities in relation to compensation matters include, but are not limited to: (i) reviewing and advising the Board on: (a) current trends in regional and industry-wide compensation practices, and (b) how the Corporation's compensation programs and practices compare to those of comparable companies in the industry; (ii) reviewing and approving goals and objectives relevant to the CEO's compensation, evaluating the CEO's performance with respect to those goals and objectives and determining the CEO's compensation; (iii) reviewing and recommending to the Board the terms and conditions, design, approval, implementation, administration and interpretation of the Corporation's compensation plans, including equity-based compensation, and each amendment thereof; (iv) establishing and reviewing annually share ownership guidelines for the executive officers of the Corporation; (v) at least annually, reviewing, in conjunction with the Audit Committee, incentive compensation arrangements to confirm they do not encourage inappropriate or unintended risk taking; (vi) making recommendations to the Board regarding the annual salary, bonus, Options, RSUs, PSUs (as defined herein), DSUs (as defined herein) and other benefits, direct and indirect, of the executive officers; (vii) at least annually, reviewing policies in the area of management prerequisites; and (viii) overseeing management succession planning and making appropriate recommendations to the Board at least annually regarding the appointment and succession of the Corporation's executive officers.

Managing Compensation-Related Risk

As part of its annual review of the Corporation's compensation policies and practices, including the setting of annual corporate performance objectives, the CGN Committee is expected to consider risks associated with such policies and practices. The Board and the CGN Committee are expected to consider and assess, as necessary, risks relating to compensation prior to entering into or amending employment contracts with Named Executive Officers and when setting the compensation of directors. The Board and the CGN Committee intend to establish compensation policies and practices that are appropriate for its industry and stage of business and that such policies and practices do not have associated with them any risks that are reasonably likely to have a material adverse effect on the Corporation or which would encourage a Named Executive Officer to take any inappropriate or excessive risks. The CGN Committee is anticipated to continually review the Corporation's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on the Corporation or encourage a Named Executive Officer to take any inappropriate or excessive risks.

Research and Benchmarking

While the CGN Committee has not yet engaged in formal benchmarking with an independent advisory firm for the purpose of establishing the executive compensation program relative to any predetermined level or specified peer group of companies when considering the design of its program, it may do so in the future.

Base Salary

Base salary represents a key component of an executive officer's compensation package as it is the first step in ensuring a competitive structure based on a number of factors, including peer group comparison.

The CGN Committee intends that the base salary for each of the executive officers of the Corporation will be reviewed and established annually, typically during the first quarter of the fiscal year with changes (if any) to be implemented effective December 1. Base salaries are determined according to the particular executive officer's personal performance and seniority, contribution to the business of the Corporation and the size and stage of development of the Corporation. Base salaries may also be reviewed from time to time to ensure comparability with industry norms.

Short-Term Compensation Incentives

The Corporation's compensation program may include a cash bonus program for executives and certain managers within the organization. The cash bonus program will be designed to provide motivation to all participants to achieve near-term objectives aligned with the corporate strategy and to reward them when such objectives are met or exceeded. Annual awards target levels under the cash bonus program may range from one to four months' salary, depending on each individual's position and responsibilities and the CGN Committee will have the ability to apply its discretion to either increase or decrease an award where circumstances warrant.

Long-Term Compensation Incentives

Stock Option Plan

Option grants to executive officers are made to executive officers periodically as the CGN Committee determines appropriate. The number of Options granted is based on each individual's position, responsibility and performance and takes into account the number and terms of Options that have been

previously granted to that individual. The Board believes that the grant of Options to the executive officers and share ownership by such executive officers serves to motivate achievement of the Corporation's long-term strategic objectives and helps align the financial interests of the executive officers with the financial interest of shareholders. To summarize, the purpose of the Corporation's stock option plan (the "**Stock Option Plan**") is to: (i) incentivize directors, officers, employees and consultants of the Corporation; (ii) encourage directors, officers, employees and consultants to remain with the Corporation; and (iii) attract new directors, officers, employees and consultants to the Corporation.

The Stock Option Plan provides that the maximum number of Common Shares that may be reserved for issuance upon the exercise of all Options granted under the Stock Option Plan shall not exceed, on a rolling basis, 15% of the aggregate number of Common Shares issued and outstanding from time to time LESS the aggregate number of Common Shares then reserved for issuance pursuant to any other share compensation arrangement.

During the year ended August 31, 2023, the Corporation granted to certain executives, employees and consultants 2,325,000 Options on October 14, 2022, expiring on October 14, 2027, with an exercise price of \$0.12 per Common Share, as determined and approved by the Board. The Corporation also granted 325,000 Options on January 13, 2023, to Deborah Battiston in connection with her appointment to the Board, expiring on January 13, 2028, with an exercise price of \$0.16 per Common Share. On May 8, 2023, the Corporation granted 325,000 Options to Dario Zulich in connection with his appointment to the Board, expiring on May 8, 2028, with an exercise price of \$0.12 per Common Share. Since the year ended August 31, 2023, the Corporation granted to certain executives, employees and consultants 5,650,000 Options on December 27, 2023, expiring on December 27, 2028, with an exercise price of \$0.09 per Common Share.

As of the date of this Circular, the Corporation has 15,625,000 Options issued and outstanding. The average exercise price of all Options is \$0.17 and, if fully exercised, represent approximately 7.9% of the currently issued and outstanding Common Shares. The Stock Option Plan approved by shareholders provides for the "rolling" grant of Options to purchase up to 15% of the issued and outstanding Common Shares; this is equal to 19,861,885 Options as of the date of this Circular. Since the inception of the Stock Option Plan, the Corporation has not issued any Common Shares as a result of exercise of Options.

Pursuant to Section 10.12 – *Security Based Compensation* of the Cboe Listing Manual, the Corporation is required to obtain approval from its shareholders to any compensation plan that is an "evergreen plan" every three years.

The following is a summary of the Stock Option Plan, which is qualified in its entirety by the full text of the Stock Option Plan which is available for review in Schedule "A" of the management information circular dated January 25, 2023 under the Corporation's SEDAR+ profile at www.sedarplus.ca. Terms not otherwise defined herein are defined according to the meanings given to them in the full text of the Stock Option Plan.

- (a) Eligible Persons. Options may only be issued to: (i) directors, officers, employees and consultants of the Corporation and its subsidiaries, if any, at the time the Option is granted, and includes companies that are wholly owned by the Eligible Persons; and (ii) a Charitable Organization at the time the Option is granted (for purposes of the Stock Option Plan, "**Eligible Persons**").
- (b) Number of Common Shares Reserved. The aggregate number of Common Shares that may be reserved for issuance, shall not exceed, on a rolling basis, 15% of the outstanding Common Shares at the time of granting of an Option LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. Any Common Shares subject to an Option

which has been granted under the Stock Option Plan and which has been surrendered, expired or terminated in accordance with the terms of the Stock Option Plan without having been exercised will again be available under the Stock Option Plan.

- (c) Maximum Term of Options. Every Option granted shall, unless sooner terminated, have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.
- (d) Blackout Periods. Options may not be exercised during any Black Out Period with respect to trading in securities of the Corporation by Eligible Persons. Where the Expiry Date for an Option occurs during a Black Out Period or within two (2) business days of a Black Out Period, the Expiry Date will be extended to the date that is ten (10) days following the end of such Black Out Period.
- (e) Exercise Price. Subject to a minimum Exercise Price of \$0.05, the Exercise Price per Common Share for an Option shall not be less than the Market Price for the Corporation's Common Shares at the date of grant.
- (f) Administration. The Stock Option Plan is to be administered by the Board, or any duly authorized committee thereof. Subject to the provisions of the Stock Option Plan, the Board shall have the authority: (i) to determine the Eligible Persons to whom Options are granted, to grant such Options and to determine any terms and conditions, limitations and restrictions of any particular Option grant; and (ii) to interpret the terms of the Stock Option Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of the Stock Option Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Stock Option Plan.
- (g) Reduction of Exercise Price. The Board may amend any Option with the consent of the affected Participant and the Exchange, including any shareholder approval required by the Exchange. Shareholder Approval is required for a reduction in the Exercise Price of an Option if the Participant is an Insider at the time of the proposed amendment.
- (h) Death of an Optionee. If a Participant dies, Options held by such Participant shall be exercisable by the Participant's legal representative, and will expire on the earlier of: (i) the one-year anniversary of the date of death of the Participant; or (ii) the expiry date of the applicable Options.
- (i) Non-Assignability. Options may not be assigned or transferred, except in limited circumstances including the transfer of Options to a wholly-owned personal holding company or to a registered retirement savings plan established for the sole benefit of such Participant, and for estate planning or estate settlement purposes.
- (j) Amendments. Generally, the Board may, at any time and from time to time, amend the Stock Option Plan without shareholder approval, provided that no such amendment may be made without obtaining any requisite regulatory or Exchange approval or the consent or deemed consent of a Participant, where such amendment materially prejudices the rights of the Participant.
- (k) Amendments Requiring Shareholder Approval. The Board may not, without the prior approval of the shareholders of the Corporation, make any amendment that requires the approval of disinterested shareholders pursuant to Section 10.12(7) of the Cboe Listing Manual, and make amendments to any of the following provisions of the Stock Option Plan: (i) Persons eligible to be granted Options under the Stock Option Plan; (ii) the maximum percentage of shares that may be reserved for issuance pursuant to the exercise of Options; (iii) the method for determining the Exercise Price of Options; (iv)

the maximum term of Options; (v) the expiry and termination provisions applicable to Options; (vi) any amendment to remove or to exceed limits on Options available to Related Persons of the Corporation; and (vii) amendments to an amending provision within the Stock Option Plan.

Performance and Restricted Share Unit Plan

During the year ended August 31, 2023, the Corporation granted 7,000,000 RSUs collectively to Mr. Trevisiol and Mr. Dellelce. The Corporation did not grant any performance share units (“PSUs”) to any of the Corporation’s or its subsidiaries’ directors, officers, consultants, or employees during the year ended August 31, 2023. Since the year ended August 31, 2023, the Corporation granted 3,600,000 non-assignable RSUs to certain consultants on December 27, 2023, as approved by the Board. As of the date of this Circular, the Corporation has 10,600,000 RSUs outstanding. There are currently no PSUs outstanding.

The following is a summary of the performance and restricted share unit plan (the “**PR Plan**”) (inclusive of the PR Plan amendments) which is qualified in its entirety by the full text of the PR Plan, including amendments thereto, attached hereto as Schedule “A”. Terms not otherwise defined herein are defined according to the meanings given to them in the full text of the PR Plan.

The PR Plan is designed to: (i) promote a significant alignment between employees, consultants and directors of the Corporation and the growth objectives of the Corporation, (ii) associate a portion of participating employees, consultants and directors compensation with the performance of the Corporation over the long-term, and (iii) to attract and retain critical personnel to drive the business success of the Corporation.

- (a) Eligible Participants. Grants may be made under the PR Plan to directors, officers, employees, independent contractors and consultants of the Corporation or any subsidiary as the Board may designate to receive a grant of PSUs or RSUs pursuant to an Award Agreement.
- (b) Maximum Number of Common Shares Issuable from Treasury. The aggregate number of Common Shares that are issuable to pay awards which have been granted and are outstanding under the PR Plan, together with the Common Shares that are issuable pursuant to outstanding awards or grants under any other Share Compensation Arrangement, shall not at any time exceed 15% of the Common Shares then issued and outstanding, subject to adjustment to give effect to any relevant changes in the capitalization of the Corporation. Common Shares in respect of which Awards have been granted but which are (i) vested and redeemed or (ii) forfeited, surrendered, cancelled or otherwise terminated or expire without the delivery of Common Shares shall be available for subsequent Awards. The number of Common Shares subject to an Award (or portion thereof) that the Corporation permits to be settled in cash in lieu of settlement in Common Shares shall be available for subsequent Awards.
- (c) Participation Limits. Awards shall be limited as follows: (i) the total number of Common Shares reserved for issuance to Insiders (as a group) under the PR Plan, together with Common Shares reserved for issuance to Insiders under any other Share Compensation Arrangement, shall not at any time exceed 15% of the issued and outstanding Common Shares; and (ii) within any one (1) year period, the aggregate number of Common Shares issued to Insiders (as a group) pursuant to the PR Plan and any other Share Compensation Arrangement shall not exceed 15% of the issued and outstanding Common Shares.
- (d) No Financial Assistance. The Corporation shall not provide financial assistance to Participants in connection with the PR Plan.

- (e) Administration. The PR Plan shall be administered by the Board. The Board may, in its discretion, delegate such of its powers, rights and duties under the PR Plan, in whole or in part, to any committee of the Board or any one or more directors, officers or employees of the Corporation and/or its Subsidiaries as it may determine from time to time.
- (f) PSUs and RSUs. Each whole PSU and RSU will give a Participant the right to receive either a Common Share or a cash payment, as determined by the Board, in an amount determined in accordance with the terms of the PR Plan and the applicable Award Agreement. For greater certainty, a Participant shall have no right to receive Common Shares or a cash payment with respect to any PSUs or RSUs that do not become Vested PSUs or Vested RSUs.
- (g) Dividend Equivalent Units. When and if cash dividends are paid on the Common Shares during the period from the Award Date under the Award Agreement to the date of settlement of the PSUs or RSUs granted thereunder, additional PSUs or RSUs, as applicable, will be credited to the Participant's Account (i.e., Dividend Equivalent Units) in accordance with the terms of the PR Plan. Dividend Equivalent Units shall be subject to the same Vesting conditions and shall Vest and be paid at the same time as the PSUs or RSUs, as applicable, to which they relate.
- (h) Payment in Common Shares. In the event that a Participant's Vested PSUs or Vested RSUs have been designated by the Board for settlement in Common Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a number of Common Shares equal to the number of Vested PSUs or Vested RSUs, as the case may be, credited to the Participant's Account (rounded down to the nearest whole number of Common Shares). In such event, such Common Shares shall be distributed to the Participant or his legal representative, as applicable, as soon as practicable following the applicable Vesting Date but in no event shall the payment be made later than December 31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.
- (i) Payment in Cash. In the event that a Participant's Vested PSUs or Vested RSUs have not been designated by the Board for settlement in Common Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a cash payment equal to: (i) in the case of PSUs, the Market Value determined as of the last day of the Performance Period multiplied by the number of Vested PSUs credited to his PSU Account as of the last day of such Performance Period, (rounded down to the nearest whole number of PSUs); and (ii) in the case of RSUs, the Market Value determined as of the Vesting Date of such RSUs multiplied by the number of Vested RSUs credited to his Account as of the Vesting Date (rounded down to the nearest whole number of RSUs). The cash payment shall be made to the Participant or his legal representative, as applicable, in a single lump sum as soon as practicable following the applicable Vesting Date but in no event shall the payment be made later than December 31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.
- (j) Change in Control. Subject to the terms of the relevant Award Agreement or any employment agreement between the Participant and the Corporation or any Subsidiary, in the event of a Change in Control, all PSUs and RSUs credited to the account of the Participant as at the date of the Change in Control, will become Vested PSUs and RSUs on a one-for-one basis on the date of Change in Control, unless otherwise determined by the Board. As soon as practical following the Change in Control, the Participant, at the discretion of the Board, will receive a payment in cash or in Common Shares equal to the number of Vested RSUs or PSUs, as applicable, multiplied by the price at which the Common Shares are valued for the purposes of the transactions giving rise to the Change in Control.

- (k) Non-Assignability. The assignment or transfer of the PSUs or RSUs, or any other benefits under the PR Plan, shall not be permitted, other than by operation of law or normal estate settlement purposes.
- (l) Amendment, Termination. The Plan may be amended or terminated at any time by the Board in whole or in part, provided that: (i) no amendment of the PR Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to PSUs or RSUs granted prior to the date of the amendment; (ii) no amendment of the PR Plan shall be effective unless such amendment is approved by the Stock Exchange whose approval is required under Stock Exchange Rules; and (iii) approval by a majority of the votes cast by shareholders present and voting in person or by proxy at a meeting of shareholders of the Corporation shall be obtained for any: (a) amendment for which, under the requirements of the Stock Exchange or any applicable law, shareholder approval is required; (b) a reduction in pricing of an award under the PR Plan (other than an adjustment pursuant to Section 5.3) or the cancellation and reissuance of awards under the PR Plan; (c) extension of the term of an award under the PR Plan beyond the original expiry date of the award; (iii) any amendment to remove or exceed the Insider participation limits set out in Sections 6.3.1 or 6.3.2; (d) an increase to the maximum number of Common Shares which may be issuable under the PR Plan, other than an adjustment pursuant to Section 5.3; and (e) amendment to Section 11.7 of the PR Plan.

Directors' Deferred Share Unit Plan

During the year ended August 31, 2023, the Corporation granted no deferred share units (“**DSUs**”) to any of the Corporation’s directors who were eligible to participate (each, a “**Participant**”) in the DSU Plan. As of the date of this Circular, the Corporation has no DSUs outstanding.

The following is a summary of the directors’ deferred share unit plan (the “**DSU Plan**”), which is qualified in its entirety by the full text of the DSU Plan which is available for review in Schedule “C” of the management information circular dated January 25, 2023 under the Corporation’s SEDAR+ profile at www.sedarplus.ca. Terms not otherwise defined herein are defined according to the meanings given to them in the full text of the DSU Plan.

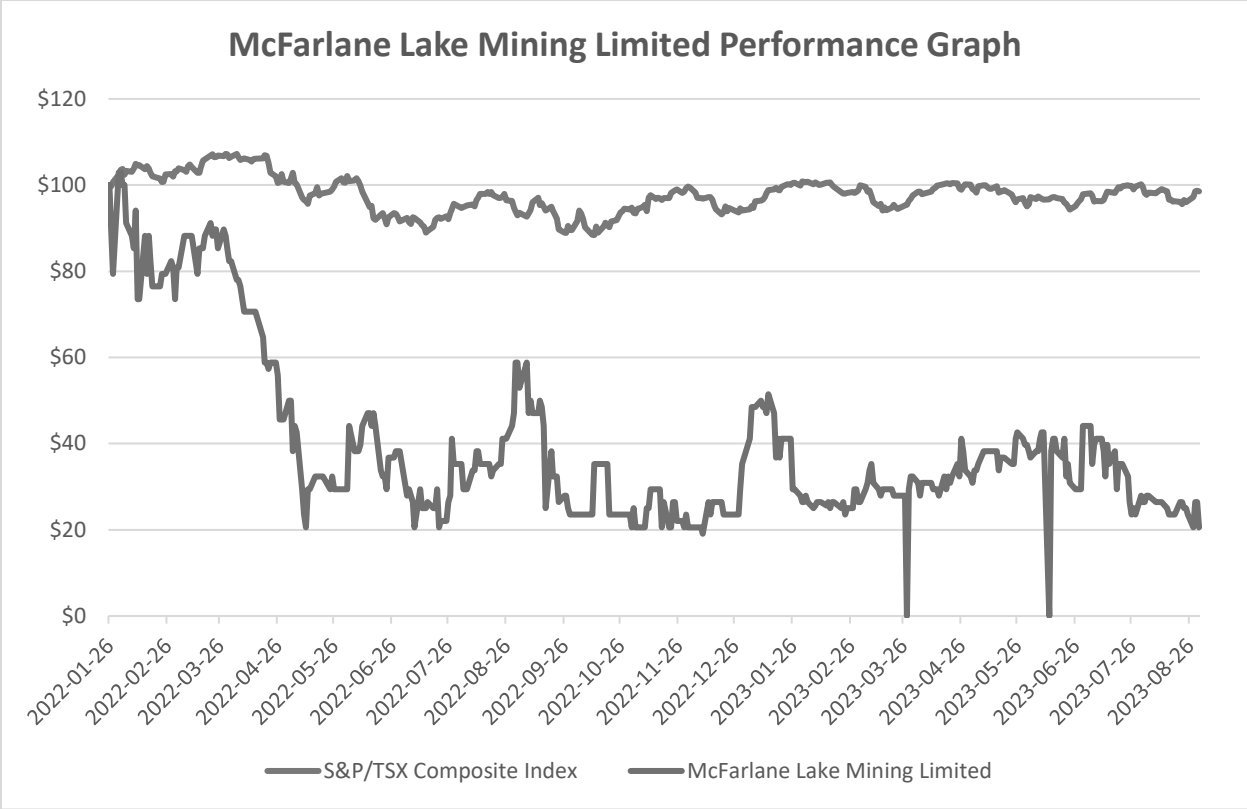
- (a) Eligible Participants. The following persons are Participants: (i) every person who is a Director as of January 14, 2022 (the “**Effective Date**”), shall become a Participant as of that date; (ii) every person who becomes a Director after the Effective Date through election at an Annual Meeting, or who is appointed or elected as a Director other than at an Annual Meeting; and (iii) every person who is re-elected as a Director at an Annual Meeting and who immediately prior to such re-election was a Participant shall continue to be a Participant. A person ceases to be a Participant at such time as such person ceases to be a Director.
- (b) Administration. The Administrator(s) of the DSU Plan shall be the Board or the Board may, in its discretion, delegate such of its powers, rights and duties under the DSU Plan, in whole or in part, to the Compensation Committee or any one or more directors, officers or employees of the Corporation and/or its subsidiaries as the Board may determine from time to time.
- (c) Redemption upon Ceasing to be a Director. When a Participant ceases to be a Director for any reason other than death, each DSU held by the Participant that has vested in accordance with the terms of such DSU will be eligible for redemption for: (i) a period of up to ninety (90) days after the date such Participant ceases to be a Director; or (ii) such other “reasonable” period as may be determined by the Administrator(s) at the time such DSUs are granted, which reasonable period cannot be less than ninety (90) days without the agreement of the Participant and cannot be later than December 1st of the calendar year following the year in which the Participant ceased to be a Director (the “**Redemption Period**”).

During the Redemption Period, the Participant may redeem all or any part of his or her vested DSUs on one or more occasions by providing notice in writing to the Corporation.

- (d) Redemption upon Death. When a Participant ceases to be a Director due to his or her death, notice may be delivered by the Beneficiary. The value of the Participant's vested DSUs shall be determined as of the Redemption Date and shall be payable to the Beneficiary, net of any applicable withholdings, as soon as practicable after the Redemption Date.
- (e) Valuation. For purposes of determining the value of DSUs for payment to a Participant or where the Participant has died, his or her Beneficiary, in each case, the Participant or Beneficiary shall receive a payment in cash, net of any applicable withholdings, equal to the Fair Market Value of a Common Share multiplied by the number of vested DSUs (including the value of any fractional DSUs) credited to a Participant's DSU Account. The Fair Market Value of a Common Share for such calculation will be determined as of the Redemption Date.
- (f) Change of Control. In the event of a Change of Control, all DSUs that have been granted shall be deemed to be vested as of the date of the Change of Control.
- (g) Non-Transferability. DSUs granted under the DSU Plan are non-transferable and no assignment, encumbrance or transfer thereof, whether voluntary, involuntary, by operation of law or otherwise, shall vest any interest or right in such DSUs whatsoever in any assignee or transferee, but immediately upon any purported assignment or transfer, such DSUs shall terminate and be of no further effect. Notwithstanding the foregoing, DSUs may pass to a Beneficiary on death.
- (h) Amendment. Subject to receipt of any necessary regulatory or other approval, the Administrator(s) may, at any time or from time to time, amend the DSU Plan or any provisions thereof in such respects as it, in its sole discretion, may determine appropriate; provided, however, that no amendment of the DSU Plan shall, without the written consent of any Participant or the Participant's Beneficiary, as applicable, alter or impair any rights or obligations arising from any DSUs held by a Participant under the DSU Plan; and provided further that no alteration pursuant to the DSU Plan shall be made to the terms of the DSUs or the DSU Plan which would disqualify the DSU Plan and an entitlement to DSUs thereunder from being a prescribed plan for the purposes of the definition of "salary deferral arrangement" pursuant to the *Income Tax Act* (Canada) and the regulations thereunder.

Performance Graph

The following graph compares the total cumulative shareholder return for a \$100 investment in the Common Shares of the Corporation with the cumulative shareholder return of the S&P/TSX Composite for the period commencing on January 26, 2022 to August 31, 2023. On January 26, 2022, the Common Shares began trading on Cboe. Prior to that time, the Corporation did not have any securities listed on a stock exchange.



As described above, the CGN Committee considers various factors in determining the compensation of the Named Executive Officers and Common Share performance is one measure that will be reviewed and taken into consideration with respect to executive compensation.

The Corporation’s compensation policies currently provide a significant portion of each senior executive’s compensation package will be in the form of stock option compensation. The Options are intended to be competitive and forward looking; they are not granted to reflect or reward prior year performance.

The Corporation operates in a commodity business and the Common Share price can be directly impacted by the market prices of the metals that it produces, which fluctuate widely and are affected by numerous factors that are difficult to predict and beyond the Corporation’s control. The Common Share price is also affected by other factors beyond the Corporation’s control, including general and industry-specific economic and market conditions. The CGN Committee evaluates financial performance by reference to the Corporation’s operating performance rather than short-term changes in Common Share price based on its view that the Corporation’s long-term operating performance will be reflected by stock price performance over the long-term, which is especially important when the current stock price may be temporarily depressed by short-term factors, such as recessionary economies and operating markets or temporarily increased due to market conditions or events. The movement in Common Share price of the Corporation is not considered wholly representative of actions taken with respect to executive compensation.

Summary Compensation Table

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on February 3, 2021 and subsequently continued under the *Business Corporations Act* (Ontario) on January 26, 2022. Consequently, the Corporation has completed three fiscal years (the periods ending August 31, 2021, 2022 and 2023) since the date of incorporation. The following table sets out information concerning the

compensation earned by each Named Executive Officer from the Corporation and any of the Corporation’s subsidiaries during each of the last three fiscal years ended August 31, 2023, August 31, 2022 and August 31, 2021, respectively:

Name and principal position ⁽¹⁾	Year ⁽²⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁴⁾	Total (\$) ⁽⁵⁾
					Annual incentive plans	Long-term incentive plans			
Mark Trevisiol Chief Executive Officer & Director	2023	-	367,500	15,000	-	-	-	96,000	478,500
	2022	-	-	33,408	-	-	-	94,000	127,408
	2021	-	-	193,443	-	-	-	20,000	213,443
Charles Lilly Chief Financial Officer & Director	2023	-	-	60,000	-	-	-	48,000	108,000
	2022	-	-	13,363	-	-	-	47,000	60,363
	2021	-	-	96,721	-	-	-	10,000	106,721
Roger Emdin Chief Operating Officer & Director	2023	-	-	30,000	-	-	-	180,000	210,000
	2022	-	-	86,860	-	-	-	166,250	253,110
	2021	-	-	96,721	-	-	-	112,375	209,096
Robert Kusins Vice President of Geology	2023	-	-	30,000	-	-	-	180,000	210,000
	2022	-	-	33,408	-	-	-	180,000	213,408
	2021	-	-	48,361	-	-	-	58,500	106,861

Notes:

- (1) Each Named Executive Officer was appointed on January 14, 2022 upon completion of the reverse takeover (the “**Reverse Takeover**”).
- (2) All compensation from the 2021 fiscal year was earned in connection with each Named Executive Officer’s position in the Corporation’s subsidiary.
- (3) The option-based award sets out the Black-Scholes value of the Options granted in the respective year. The values have been calculated using the same basis as those disclosed in the Annual Financial Statements. The option-based awards vested immediately on the date of grant.
- (4) Other compensation consists of consulting fees paid to Named Executive Officers.
- (5) Total compensation from the 2023 fiscal year reflects compensation earned in connection with each Named Executive Officer’s position as Named Executive Officer of the Corporation from September 1, 2022 to August 31, 2023, and as officer of the Corporation’s subsidiary from September 1, 2021 to January 13, 2022.

In addition to a base salary, the Named Executive Officers are reimbursed by the Corporation for reasonable out-of-pocket expenses incurred in connection with their engagement with the Corporation.

Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each Named Executive Officer, information concerning all option-based and share-based awards outstanding as of August 31, 2023.

Name	Option-based Awards					Share-based Awards	
	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price, grant date and expiration date (\$) ⁽¹⁾	Option grant date	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽³⁾
Mark Trevisiol Chief Executive Officer	2,000,000	\$0.10	May 31, 2021	May 31, 2026	-	3,500,000	245,000
	125,000	\$0.40	January 25, 2022	January 25, 2027			
	125,000	\$0.12	October 14, 2022	October 14, 2027			
Charles Lilly Chief Financial Officer	1,000,000	\$0.10	May 31, 2021	May 31, 2026	-	-	-
	125,000	\$0.40	January 25, 2022	January 25, 2027			
	500,000	\$0.12	October 14, 2022	October 14, 2027			
Roger Emdin Chief Operating Officer & Director	1,000,000	\$0.10	May 31, 2021	May 31, 2026	-	-	-
	125,000	\$0.40	January 25, 2022	January 25, 2027			
	250,000	\$0.12	October 14, 2022	October 14, 2027			
Robert Kusins Vice President of Geology	500,000	\$0.10	May 31, 2021	May 31, 2026	-	-	-
	50,000	\$0.40	January 25, 2022	January 25, 2027			
	250,000	\$0.12	October 14, 2022	October 14, 2027	-		

Notes:

(1) The closing price of the Common Shares on Cboe on August 31, 2023 was \$0.07 per Common Share.

- (2) All Options vest immediately upon the date of grant.
- (3) The value of each RSU is calculated by multiplying the total number of RSUs held on August 31, 2023, by the closing price of \$0.07 per Common Shares set out by Cboe as of August 31, 2023.

Value Vested or Earned During the Year

The following table sets out, for each Named Executive Officer, the value vested or earned during the year ended August 31, 2023, for incentive plan awards.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Mark Trevisiol Chief Executive Officer	15,000	367,500	-
Charles Lilly Chief Financial Officer	60,000	-	-
Roger Emdin Chief Operating Officer & Director	30,000	-	-
Robert Kusins VP of Geology	30,000	-	-

Notes:

- (1) During the year ended August 31, 2023, the Corporation granted Options with an expiry date of October 14, 2027, with an exercise price of \$0.12 to its Named Executive Officers and all such awards vested upon granting.
- (2) The value of the RSUs is calculated by multiplying the total number of RSUs granted on March 27, 2023, by the market value of C\$0.105 per Common Share. The actual value received, if any, may be different as it will depend on the price of the underlying Common Shares at the time such RSUs vest and are settled.

Pension Plan Benefits

The Corporation does not currently provide retirement or pension benefits for directors and executive officers.

Termination and Change of Control Benefits

The Corporation entered into consulting agreements on January 4, 2022 with the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer (the “**Consultants**”) at combined consulting fees of \$27,000 per month (the “**Consulting Agreements**”).

The Consulting Agreements may be terminated at any time for just cause without notice or payment in lieu of notice and without payment of any fees whatsoever either by way of anticipated earnings or damages of any kind by advising the Consultants in writing. Just cause is defined to include, but is not limited to the following: dishonesty or fraud, theft, breach of fiduciary duties, being guilty of bribery or attempted bribery or gross mismanagement.

The Corporation is committed to payments upon termination without cause of approximately \$420,000 pursuant to the terms of the Consulting Agreements. The Consultants may terminate the Consulting Agreements on sixty (60) days written notice to the Corporation.

The Consulting Agreements require payment of approximately \$1,000,000 upon the occurrence of a Change of Control (as herein defined) of the Corporation. A Change of Control is defined in the Consulting Agreements as the acquisition by any person of: (i) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (ii) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the material subsidiary; or (iii) more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation.

The Corporation entered into a consulting agreement in June 2021 with the Corporation's Vice President of Geology, Robert Kusins, and Kusins Consulting (the "**Kusins Agreement**"). Pursuant to the Kusins Agreement, the Corporation agreed to pay to Kusins Consulting \$13,000 per month (the "**Consulting Fees**"); the Corporation also granted Robert Kusins 500,000 Options on May 31, 2021, with an exercise price of \$0.10 and an expiration date of May 31, 2026 pursuant to the Kusins Agreement.

Kusins Consulting may terminate the Kusins Agreement by giving ninety (90) days written notice, in which case the Corporation shall pay all the Consulting Fees owing up to the end of the notice period and no further payment shall be owing. The Corporation may terminate the Kusins Agreement prior to the termination date: (i) without notice at any time if there is a material breach of the Kusins Agreement, in which case, the Corporation shall pay all the Consulting Fees owing up to the date the Kusins Agreement is terminated and no further payment shall be owing; or (ii) at any time for reasons other than material breach by providing thirty (30) days' written notice or by paying to Kusins Consulting a lump sum payment in the amount equivalent to ninety (90) days' Consulting Fees.

Kusins Consulting agrees that during the term of the Kusins Agreement and for a period of twelve (12) months after the Kusins Agreement is terminated, for any reason, individuals acting on behalf of the Kusins Consulting shall not, directly or indirectly: (i) solicit, contact or communicate with any customer of the Corporation with a view to enticing such customer to obtain similar or competitive services elsewhere or divert any such customer from continuing to secure or obtain such services from the Corporation; or (ii) solicit, contact or communicate with any who person is employed by the Corporation with a view to terminate their employment with the Corporation.

Director Compensation

During the fiscal year ended August 31, 2023 no retainers were paid to directors of the Corporation.

During the Corporation's most recently completed fiscal year, no directors received compensation for services provided to the Corporation in their capacities as directors, consultants or experts, except for security based compensation as disclosed below.

Director Compensation Table

The following table sets out all amounts of compensation provided to each director (who was not a Named Executive Officer) for the Corporation's most recently completed financial year ended August 31, 2023.

Name	Fees earned (\$)	Share-based awards (\$)⁽¹⁾	Option-based awards (\$)⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)⁽³⁾	Total (\$)
Amanda Fullerton	-	-	36,000	-	-	12,000	48,000
Fergus Kerr	-	-	36,000	-	-	9,000	45,000
Perry N. Dellelce	-	367,500	36,000	-	-	6,000	409,500
Deborah Battiston	-	-	52,000	-	-	4,500	56,500
Dario Zulich	-	-	39,000	-	-	-	39,000

Notes:

- (1) Represents the fair value at the date of grant for the RSUs granted to Mr. Dellelce. For the grants included herein, the fair values are based on the closing price of the Common Shares on Cboe on the date of grant. The actual value received, if any, will be different as it will depend on the price of the underlying Common Shares at the time such RSUs vest and are settled.
- (2) The option-based award sets out the Black-Scholes value of the Options granted in the respective year. The values have been calculated using the same basis as those disclosed in the Annual Financial Statements for the year ended August 31, 2023. The option-based awards vested immediately on the date of grant.
- (3) Other compensation consists of fees paid to certain directors of the Board who were not Named Executive Officers for board meeting attendance.

Outstanding Option-Based and Share-Based Awards

The following table sets out for each Director (who was not a Named Executive Officer), information concerning all option-based and share-based awards outstanding as of August 31, 2023.

Name ⁽¹⁾	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$) ⁽²⁾	Option expiration date	Value of unexercised in-the-money Options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
<i>Directors as of August 31, 2023</i>							
Amanda Fullerton	325,000	\$0.40	January 25, 2027	-	-	-	-
	300,000	\$0.12	October 14, 2027	-	-	-	-
Fergus Kerr	300,000	\$0.40	January 25, 2027	-	-	-	-
	300,000	\$0.12	October 14, 2027	-	-	-	-
Dario Zulich	325,000	\$0.12	May 8, 2028	-	-	-	-
Deborah Battiston	325,000	\$0.16	January 13, 2028	-	-	-	-
Perry N. Dellelce⁽⁴⁾	1,000,000	\$0.10	May 31, 2026	-	-	-	-
	125,000	\$0.40	January 25, 2027	-	-	-	-
	300,000	\$0.12	October 14, 2027	-	-	-	-
	-	-	-	-	3,500,000	245,000	-

Notes:

- (1) Each of the listed names, except Deborah Battiston who became a Director on January 16, 2023 and Dario Zulich who became a director on May 8, 2023, became directors of the Corporation on January 14, 2022, upon the completion of the Reverse Takeover transaction.
- (2) All Options vest immediately upon the date of grant.
- (3) The value of RSUs is calculated by multiplying the number of RSUs held on August 31, 2023 by the closing price of the Common Shares on Cboe on August 31, 2023, being the last trading day of fiscal 2023, of C\$0.07 per share. The actual value received, if any, may be different as it will depend on the price of the underlying Common Shares at the time such RSUs vest and are settled.

- (4) Perry N. Dellelce served as director of the Corporation’s subsidiary prior to the completion of the Reverse Takeover transaction completed on January 14, 2022.

Value Vested or Earned During the Year

The following table sets out, for each director (who was not a Named Executive Officer) the value vested or earned during the year ended August 31, 2023 for incentive plan awards.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Amanda Fullerton	36,000	-	-
Fergus Kerr	36,000	-	-
Dario Zulich	39,000	-	-
Deborah Battiston	52,000	-	-
Perry N. Dellelce	36,000	367,500	-

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has implemented the Stock Option Plan, PR Plan and DSU Plan described in more detail under the heading entitled “Statement of Executive Compensation – *Long-Term Compensation Initiatives*” above. The following table sets out additional information only with respect to the Stock Option Plan and the PR Plan as of August 31, 2023, as no other grants have been made under the DSU Plan at this time.

Name and Position	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	(b) Weighted-average exercise price of outstanding options, warrants and rights (\$)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding security reflected in column (a)) (\$)
Equity Compensation Plans Approved by Shareholders	26,225,000 ⁽¹⁾	0.15	12,802,578 ⁽²⁾
Equity Compensation Plans Not Approved by Shareholders	N/A	N/A	N/A

Notes:

- (1) As further described under the heading entitled, “Statement of Executive Compensation – *Long-Term Compensation Initiatives*”, the Corporation has 15,625,000 Options outstanding as of the date

of the Circular.

- (2) The number in column (c) is calculated using the issued and outstanding Common Shares as of August 31, 2023, being 113,183,845.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Aggregate Indebtedness

As of the date hereof and during the fiscal period ended August 31, 2023, there was no indebtedness owing to the Corporation or to its subsidiary by any current or former executive officers, directors or employees of the Corporation.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

As of the date hereof and during the fiscal period ended August 31, 2023, there was no indebtedness owing to the Corporation in connection with the purchase of securities or other programs by any current or former officers, directors, or employees of the Corporation.

Since the beginning of the Corporation's last completed fiscal year, no director or officer of the Corporation, proposed management nominee for election as a director of the Corporation or any associate or affiliate of any such director, officer or proposed nominee is or has been indebted to the Corporation or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

AUDITORS

The external auditor of the Corporation is McGovern Hurley LLP, Chartered Professional Accountants, of Toronto, Ontario. McGovern Hurley LLP has served as the Corporation's Auditors since January 2022.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as such term is defined under applicable securities laws), proposed nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed nominee has or had a material interest, direct or indirect, in any transaction since the beginning of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

DISCLOSURES RELATING TO CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – *Disclosure of Corporate Governance* of the Canadian Securities Administrators (the "CSA") requires the Corporation to disclose, on an annual basis, its approach to corporate governance with reference to the corporate governance guidelines provided in National Policy 58-201 of the CSA ("NP 58-201"). NI 58-101 and NP 58-201 came into force on June 30, 2005. They operate in conjunction with National Instrument 52-110 - *Audit Committees* ("NI 52-110") of the CSA. The Corporation's disclosure pursuant to NI 58-101, not otherwise disclosed herein, is set out in this section.

Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is defined as a relationship, which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board currently has eight (8) members, a majority of whom are independent under NI 58-101, as set forth under “Business of the Meeting - Item 3 – *Election of Directors*” of this Circular. As executives of the Corporation, Charles Lilly, Mark Trevisiol and Roger Emdin are the Corporation’s non-independent directors. Management is nominating eight (8) directors for election at the Meeting, of which five (5) directors would be independent, namely Amanda Fullerton, Deborah Battiston, Fergus Kerr, Dario Zulich and Perry N. Dellece. The Chair of the Board, as also occupying the position of CEO, is currently not an independent director for the purposes of NI 58-101; however, the Board has appointed Amanda Fullerton, who is independent for the purposes of NI 58-101, to act as lead director. The Board has implemented a mandate (the “**Mandate**”), pursuant to which the Board will appoint a lead director in circumstances in which the Chair of the Board is not considered independent in order to provide independent leadership to the Board and facilitate the functioning of the Board independently of the senior officers and the Chair. The lead director’s responsibilities include, but are not limited to: (i) acting as the chair of meetings of the Board, in the absence of the Chair of the Board; (ii) reviewing with the Chair of the Board matters for presentation to the Board; (iii) consulting and meeting with any or all of the other independent directors, at the request of any of them and with or without the attendance of the Chair of the Board, and representing such directors in discussions with the senior officers and Chair of the Board concerning corporate governance and other matters; (iv) mentoring and counselling new members of the Board to assist them in becoming active and effective directors; and (v) facilitating the process of conducting any director evaluations.

The responsibilities of the Board and management to act with due care in the best interests of the Corporation are well defined by law and both management and the Board recognize their respective duties and obligations. The independent Directors occasionally meet in the absence of non-independent directors and members of management, and at each Board meeting there is the possibility to do so. The Board anticipates that such meetings can and will continue to be held in the future, either formally or informally.

Corporate objectives are reviewed by the Board from time to time throughout the year. The Board has the mandate to set the strategic direction of the Corporation and to oversee its implementation by management of the Corporation. To assist it in fulfilling this responsibility, the Board has specifically recognized its responsibility for several areas, including:

- (a) reviewing and approving the Corporation’s strategic, business and capital plans;
- (b) reviewing and approving material proposed expenditures;
- (c) reviewing and approving significant operational and financial matters; and
- (d) providing direction to management on these matters.

Decisions regarding the ongoing day-to-day management are made by management of the Corporation. The Board meets regularly to review the business operations and financial statements of the Corporation and also discharges, in part, its responsibility through the Audit Committee and the CGN Committee. The frequency of the meetings of the Board, as well as the nature of agenda items, change depending upon the state of the Corporation’s affairs and in light of opportunities that arise or risks which the Corporation faces. The Corporation holds a minimum of three (3) meetings of the Board in each fiscal year. When business requires that a Board meeting cannot be called within a reasonable time, decisions are made by written resolution signed by all the directors.

The Board participates fully in assessing and approving strategic plans and prospective decisions proposed by management. In order to ensure that the principal business risks borne by the Corporation are appropriate, the directors receive and comment on periodic reports from management as to the Corporation's assessment and management of such risks. The Board regularly monitors the financial performance of the Corporation, including receiving and reviewing periodic management reports. The Board, directly and through its Audit Committee, assesses the integrity of the Corporation's internal control and management information systems.

Certain of the directors of the Corporation are also directors of other reporting issuers in a Canadian jurisdiction (or the equivalent in a foreign jurisdiction). All directorships with other reporting issuers in a Canadian jurisdiction (or the equivalent in a foreign jurisdiction) are set forth under "Business of the Meeting - Item 3 – *Election of Directors*" of this Circular.

During the fiscal year ended August 31, 2023, the Board held five (5) meetings. Other decisions of the Board were executed through written resolutions, as and when required. The attendance record for all meetings held since the beginning of the Corporation's most recently completed fiscal year for each Director nominated for re-election is set forth in the Circular under the section entitled, "Business of the Meeting – Item 3 – *Election of Directors*."

The Mandate requires that each member of the Board attend (absent extenuating circumstances) at least 75% of all scheduled meetings of the Board.

Board Mandate

The Board is responsible for the stewardship of the Corporation and for the supervision of the management of the business and affairs of the Corporation. Pursuant to the Mandate, the Board's responsibilities include, but are not limited to: (i) appointing, and replacing, senior officers of the Corporation; (ii) satisfying itself as to the integrity of the CEO, the CFO and the other security officers; (iii) considering annually what additional skills and competencies would be helpful to the Board; (iv) reviewing the compensation of directors; (v) reviewing the financial performance of the Corporation; (vi) reviewing and approving the quarterly and annual financial statements, management discussion and analysis, press releases annual information forms, management information circular(s) and the annual report; (vii) considering, and if established, reviewing from time to time, the dividend policy for the Corporation; (viii) overseeing the Corporation's continuous disclosure program; (ix) evaluating the relevant relationships of each independent director with the Corporation; and (x) ensuring the establishment of appropriate standards of corporate conduct.

A copy of the Mandate is available on the Corporation's website at <https://mcfaranelakemining.com/>.

Position Descriptions

In order to delineate the roles and responsibilities of the Chair of the Board and the CEO, the Board has adopted written position descriptions for each of these positions. The primary function of the Chair of the Board is to facilitate the operations and deliberations of the Board and the satisfaction of the Board's functions and responsibilities under its Mandate. The Chair of the Board's responsibilities in respect of Board management include, but are not limited to: (i) chairing Board meetings and all shareholder general meetings; (ii) establishing the frequency of Board meetings and reviewing such frequency from time to time; (iii) providing input to the CGN Committee on its recommendation to the Board for approval of: (a) candidates for nomination or appointment to the Board; and (b) members and chairs of Board committees; (iv) assessing on an ongoing basis whether the Board and its committees have appropriate administrative support, access to senior management and access to outside advisors for the purposes of the Board fulfilling

its mandate; and (v) creating on an ongoing basis opportunity for the Board to review and provide feedback on the Corporation's response to material regulatory recommendations and requests. The Chair of the Board also has responsibilities in respect of advisory matters relating to the CEO including, but are not limited to: (i) providing input to the CGN Committee in respect of the appointment, removal, evaluation, compensation and succession, as applicable, of the CEO; (ii) acting as a resource to the CEO on material matters concerning the Corporation; and (iii) at least annually, ensuring the Board reviews management's strategic planning initiatives.

The Board has not developed written position descriptions for the Chair of each of the Audit Committee (Deborah Battiston) and the CGN Committee (Amanda Fullerton); however, each of these Board committees has a written mandate which governs the committee's responsibilities and activities. In addition, the written mandate of the CGN Committee specifies that the Chair of the CGN Committee is responsible for establishing or causing to be established the agenda for each Board meeting and for ensuring that regular minutes of Board proceedings are kept and circulated on a timely basis for review and approval.

The Board has not developed a written position description for the CEO, but the Board considers the CEO to be primarily responsible for the day-to-day management of the affairs of the Corporation. The general responsibilities of the CEO are set out in the CEO's Consulting Agreement (as defined herein). In addition, the Board is responsible for satisfying itself as to the integrity of the CEO, and the CGN Committee undertakes, at least annually, to evaluate the CEO's performance in light of corporate goals and objectives relevant to the CEO's compensation. The Board may consider whether to adopt a formal position description for the CEO in the near future.

Orientation and Continuing Education

While the Corporation has not established a formal orientation and education program for new members of the Board, the Corporation is committed to providing such information so as to ensure that the new directors are familiar with the Corporation's business and the procedures of the Board. Information may include the Corporation's corporate and organizational structure, recent filings and financial information, governance documents and important policies and procedures. The CGN Committee ensures that every director possesses the capabilities, expertise, availability and knowledge required to fill their position adequately. From time to time, the Corporation arranges on-site tours of its operations.

The CGN Committee ensures that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors). All new directors are expected to understand the nature and operation of the business.

Ethical Business Conduct

As a responsible business and corporate citizen, the Corporation is committed to conducting its affairs with integrity, honesty, fairness and professionalism. In order to encourage and promote a culture of ethical business conduct, the Board has developed a Code of Business Conduct and Ethics (the "**Code**"), which all employees, directors, officers, consultants, contractors, trainees, seconded staff, home workers, casual workers, volunteers, interns, agents, sponsors or any other person or persons working for the Corporation (collectively, "**Personnel**") are expected to meet in the performance of their responsibilities. The Code provides a framework for ethical behavior based on the Mandate, and on applicable laws and regulations.

The Board monitors compliance with the Code. Each director, officer and employee of the Corporation is provided with a copy of the Code and is required to periodically review the Code and sign an acknowledgement in the form of a Statement of Compliance.

The Code applies at all levels of the organization, from major decisions to day-to-day transactions. The Code delineates the standards governing the relations between the Corporation and shareholders, customers, suppliers and competitors respectively. Within this framework, Personnel are expected to exercise good judgement and be accountable for their actions.

The Board receives reports on compliance with the Code. The Board has not granted any waiver of the Code in favour of any directors, officers or employees since the Code was adopted by the Board. Accordingly, no material change report has been required or filed.

From time to time, matters may be put before the Board where a member has a conflict of interest. When such matters arise, that director declares him or herself as having a conflict of interest and will abstain from participating in the discussions and any vote on that matter. Transactions and agreements in respect of which a director or officer has a material interest must be reviewed and approved by the Board in accordance with the Code. Since the beginning of the Corporation's most recently completed fiscal year, there has been one such transaction.

A copy of the Code can be obtained upon request to the CEO of the Corporation, at the Corporation's head office at 15 Kincora Court, Sudbury, Ontario, P3E 2B9.

In addition, to encourage and promote a culture of ethical business conduct, the Board has adopted a disclosure policy (the "**Disclosure Policy**") and an insider trading policy (the "**Trading Policy**"). The Disclosure Policy applies to all directors, officers, spokespersons, employees, consultants and contractors of the Corporation and its subsidiaries and covers all methods used by the Corporation to communicate to its shareholders, the media and members of the investment community. The objective of the Disclosure Policy is to ensure that communications to the investing public about the Corporation are: (i) timely, factual and accurate; and (ii) broadly disseminated in accordance with all applicable legal and regulatory requirements. The Board is responsible for the administration and implementation of the Disclosure Policy and the Board ensures that all directors, officers, employees and consultants are educated about disclosure issues, the Corporation's policy regarding confidentiality of material information and restrictions on trading securities and the Disclosure Policy.

The Trading Policy applies to directors, officers, employees and, in certain sections of the Trading Policy, the related persons of such directors, officers and employees, of the Corporation and its subsidiaries. The Trading Policy is designed to assist such persons in complying with the prohibitions under applicable securities laws against insider trading, tipping and recommending trades in the securities of the Corporation and other issuers in certain circumstances. The Trading Policy also contains additional pre-clearance, black-out and other trading restrictions and provisions for maintaining the confidentiality of information in certain circumstances.

In respect of insider trading, tipping and recommending trades in securities, no director, officer or employee of the Corporation or any of its subsidiaries or any related person shall: (i) purchase or sell securities of the Corporation with knowledge of material information relating to the Corporation that has not been disclosed to the public; (ii) inform, other than in the necessary course of business, another person or company of material information relating to the Corporation that has not been generally disclosed to the public; or (iii) recommend or encourage, other than in the necessary course of business, another person or company to purchase or sell securities of the Corporation with knowledge of material information relating to the Corporation that has not been generally disclosed.

In respect of pre-clearance restrictions, all proposed transactions in securities of the Corporation by directors and officers of the Corporation must be pre-cleared with the Corporation's legal counsel. Persons subject to the pre-clearance restriction are asked to contact the Corporation's legal counsel at least two (2) business days (or such shorter period as the Corporation's legal counsel may determine) in advance and may not effect any transaction subject to the pre-clearance request unless given clearance to do so. To the extent that a material event or development affecting the Corporation remains non-public, persons subject to the pre-clearance requirement will not be given permission to effect transactions in securities of the Corporation.

In respect of black-out periods, no trades or other transactions in securities of the Corporation (including the exercise of Options or transactions involving other forms of equity-based compensation) shall be carried out by directors and officers of the Corporation and all employees who receive notice from the Corporation's legal counsel that they are designated blacked-out employees in respect of a given period during the period of time beginning two (2) weeks before the end of each fiscal quarter until the second trading day after the financial results have been disclosed by the Corporation by way of a news release. The Board will not approve the grant of Options or other forms of equity-based compensation awards during the period of any trading black-out.

In respect of confidentiality, all directors, officers and employees of the Corporation and its subsidiaries are prohibited from informing, other than in the necessary course of business, another person or company of material undisclosed information relating to the Corporation. Information communicated internally and externally to outside parties in the necessary course of business should be done on a need-to-know basis consisting only of that information that is necessary for the recipient to be able to perform its responsibilities.

Nomination of Directors

The Board has the ultimate responsibility for the appointment, nomination and assessment of directors, but it performs this function with the assistance of the CGN Committee. The Board believes that this is a practical approach at this stage of the Corporation's development. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with a wealth of business knowledge and particular knowledge of the Corporation's industry, jurisdiction of operations, or other industries which provide knowledge or which would assist in guiding the officers of the Corporation. Therefore, and in order to encourage an objective nomination process, nominations tend to be the result of recruitment efforts by management of the Corporation and members of the CGN Committee, but are subject to informal discussions among the directors prior to the consideration by the Board as a whole of the nominated director.

The CGN Committee is a committee of the Board which assists the Board with compensation, nomination and governance matters. In respect of nomination and governance matters, the CGN Committee's primary responsibilities include, but are not limited to: (i) reviewing from time to time the size and composition of the Board; (ii) developing and reviewing periodically standards to be applied in making determinations as to the independence of directors and the presence or absence of material relationships between a director and the Corporation; (iii) reviewing annually the competencies, skills and personal qualities of directors in order to add value to the Corporation; (iv) establishing processes for identification, interview and recommendation of suitable nominees for appointment to the Board as additional members or to succeed existing directors; (v) at least annually, reviewing the Corporation's approach to governance issues; (vi) overseeing an orientation program to familiarize new directors with the Corporation's business and operations; (vii) providing ongoing educational opportunities for all directors to enhance their skills as directors and to ensure that their knowledge and understanding the Corporation's business remains current;

and (viii) annually reviewing and making recommendations to the Board for changes to the Mandate and the position descriptions for the Chair of the Board and, if determined by the CGN Committee, conducting annual surveys of Directors with respect to their views on the effectiveness of the Board, the Chair of the Board, each committee of the Board and its chair and the contributions of individual Directors.

For further information regarding the CGN Committee, please refer to the section entitled “Statement of Executive Compensation – *Compensation, Nomination and Governance Committee*” of the Circular.

Compensation

The CGN Committee discharges the Board’s responsibilities relating to the compensation of the Corporation’s executive officers, administers the Corporation’s incentive Stock Option Plan, PR Plan and DSU Plan and assists the Board with respect to management succession and development. In addition, the CGN Committee reviews and makes recommendations to the Board on an annual basis regarding: (i) company-wide compensation programs and practices; (ii) all aspects of the remuneration of the Corporation’s executive officers; and (iii) equity-based plans and any material amendments thereto. For specific disclosure regarding the compensation of executive officers, including the CEO and directors and the CGN Committee, please see the heading entitled “Statement of Executive Compensation” in the Circular.

Other Board Committees

The Corporation currently has the following committees: (i) the Audit Committee; and (ii) the CGN Committee.

Assessments

The Board assesses, on an annual basis, the contributions of the Board as a whole, any committees of the Board and each of the directors, in order to determine whether each is functioning effectively. In making such assessments, the Board considers the industry in which the Corporation functions, as well as the practices of comparable corporate bodies.

The CGN Committee assesses the performance and effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors on a regular and ongoing basis. The CGN Committee also reviews annually and makes recommendations to the Board for changes to the Mandate.

Term Limits and Renewal

The term of the Corporation’s directors expires at the end of the next annual general meeting or when a successor is elected or appointed to the Board. The Corporation has not adopted term limits for directors on the Board or other mechanisms of board renewal as the Board is of the view that it is in the Corporation’s best interests to retain experienced board members who are familiar with the Corporation’s business and can provide continuity to its management. Instead, the Board and CGN Committee continually review a director’s effectiveness and the mix of skills and expertise.

Policies Regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation has not adopted a written policy specifically relating to the identification and nomination of women directors nor does the Board formally consider the level of representation of women when making executive officer appointments or set targets regarding women on the Board or in executive officer positions. However, informally, in identifying and selecting director or executive officer nominees, the

Corporation values diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national origin, as one among the many factors taken into consideration during the search process. The Corporation also considers, among other things, the qualifications, personal qualities, business background and relevant experience of individual candidates as well as the overall composition of the Board or executive office with a view to identifying and selecting the best and most complementary candidates. The CGN Committee and the Board intend to consider whether the Corporation should adopt specific policies and practices regarding the representation of women on the Board and in executive office positions, including the setting of targets for such representation.

As of the date of this Circular, no women hold executive officer positions; there are two (2) women (25% of Board members), and no visible minorities, aboriginal peoples or persons with disabilities on the Board.

Majority Voting Policy

The Board adopted a majority voting policy (the “**Majority Voting Policy**”) on January 19, 2022. The Majority Voting Policy does not apply in any case where the nomination and election of Directors involves a “proxy dispute”. In accordance with Section 10.02 of the Cboe Listing Manual, the Majority Voting Policy provides as follows:

- (a) any director must immediately tender his or her resignation to the chair of the Board and, if there is one, the lead independent director of the Board following the meeting, if he or she is not elected by a majority of the votes cast with respect to his or her election;
- (b) the CGN Committee shall consider the offer of resignation and recommend to the Board whether or not to accept the resignation;
- (c) the Board shall act on the CGN Committee’s recommendation and determine whether or not to accept the resignation within ninety (90) days after the date of the relevant shareholders’ meeting, after considering the factors considered by the CGN Committee and any other factors that the Board considers relevant and the Board shall accept the resignation absent exceptional circumstances;
- (d) the resignation will be effective when accepted by the Board;
- (e) a director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any portion of the meeting of the Board or of the CGN Committee at which the resignation is considered; and
- (f) the Corporation shall promptly issue a news release with the Board’s decision, a copy of which must be filed with Cboe (if the Board declines to accept the resignation, the Board should include in the press release the reasons for its decision).

DISCLOSURES RELATING TO AUDIT COMMITTEE

The text of the Audit Committee Charter and other disclosure pursuant to Form 52-110F1 is provided in the Corporation’s latest Annual Information Form dated November 29, 2023, under the sections entitled, “Audit Committee Disclosure” and “Appendix ‘A’ – *Audit Committee Charter*”, filed under the Corporation’s profile on SEDAR+ at www.sedarplus.ca. The Audit Committee Charter and Annual Information Form are also available on the Corporation’s website at www.mcfarlanelakemining.com/.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is filed on SEDAR+ and can be accessed on the internet at www.sedarplus.ca. Financial information is provided in the Corporation's Annual Financial Statements and in its MD&A for its most recently completed financial year.

Shareholders may request copies of the Annual Financial Statements and MD&A by mailing a request to: McFarlane Lake Mining Limited, 15 Kincora Court, Sudbury, Ontario, P3E 2B9.

DIRECTORS' APPROVAL

The contents and sending of this Circular have been approved by the Board.

DATED at Toronto, Ontario this 24th day of January, 2024.

(Signed) Mark Trevisiol

Mark Trevisiol

Chief Executive Officer, President & Director

SCHEDULE "A"

PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

(see attached)

MCFARLANE LAKE MINING LIMITED

PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

1. PREAMBLE AND DEFINITIONS

1.1 Title and Conflict.

The Plan described in this document shall be called the “**Performance and Restricted Share Unit Plan**”.

In the event of any conflict or inconsistency between the Plan described in this document and the Award Agreement (as defined below), the terms and conditions of the Award Agreement shall prevail.

The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario.

1.2 Purpose of the Plan.

The purposes of the Plan are:

- (i) to promote a significant alignment between Participants (as defined below) of the Corporation and its Subsidiaries and the growth objectives of the Corporation and its Subsidiaries;
- (ii) to associate a portion of participating Participants’ compensation with the performance of the Corporation and its Subsidiaries over the long term; and
- (iii) to attract and retain critical personnel to drive the business success of the Corporation and its participating Subsidiaries.

1.3 Definitions.

1.3.1 “**Account**” has the meaning set out in Section 5.1.

1.3.2 “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities and tax legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules.

1.3.3 “**Award Agreement**” means the written or electronic agreement between the Corporation and a Participant under which the terms of an award are established, as contemplated by Section 4.1, together with such schedules, amendments, deletions or changes thereto as are permitted under the Plan.

1.3.4 “**Award Date**” means the effective date of a grant of PSUs or RSUs, as applicable, to a Participant as stated in the applicable Award Agreement.

1.3.5 “**Award PSUs**” means the number of PSUs awarded to a Participant in respect of a Performance Period and as stated in the applicable Award Agreement.

- 1.3.6 “**Award RSUs**” means the number of RSUs awarded to a Participant as stated in the applicable Award Agreement.
- 1.3.7 “**Award Value**” means the value, in dollars, of an award made to a Participant and as stated in the applicable Award Agreement, which is provided under the Plan in the form of PSUs or RSUs, as the case may be.
- 1.3.8 “**Board**” means the Board of Directors of the Corporation.
- 1.3.9 “**Change in Control**” means, the occurrence of any of the following, in one transaction or a series of related transactions:
- (i) the acquisition by any person or persons acting jointly or in concert (as determined by the *Securities Act* (Ontario)), whether directly or indirectly, of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such person or persons, constitute in the aggregate more than 50% of the voting power attached to all outstanding voting securities of the Corporation;
 - (ii) an amalgamation, arrangement, consolidation, share exchange or other form of business combination of the Corporation with another entity that results in the holders of voting securities of that other entity holding, in the aggregate, more than 50% of the voting power attached to all outstanding voting securities of the entity resulting from the business combination;
 - (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation or any of its Subsidiaries to another person, other than in the ordinary course of business of the Corporation and other than such sale, lease or exchange to a wholly-owned subsidiary of the Corporation;
 - (iv) the liquidation or dissolution of the Corporation; or
 - (v) any other transaction that is deemed by the Board in its sole discretion to be a “Change in Control” for the purposes of the Plan.
- 1.3.10 “**Corporation**” means McFarlane Lake Mining Limited and any successor corporation whether by amalgamation, merger or otherwise.
- 1.3.11 “**Disability**” means a physical or mental incapacity of the Participant that has prevented the Participant from performing the duties customarily assigned to the Participant for 180 calendar days, whether or not consecutive, out of any 12 consecutive months and that in the opinion of the Corporation, acting on the basis of advice from a duly qualified medical practitioner, is likely to continue to a similar degree.
- 1.3.12 “**Dividend Equivalent Units**” has the meaning set out in Section 5.2.
- 1.3.13 “**Insider**” means a Participant who is (a) an insider of the Corporation as defined in the *Securities Act* (Ontario) and (b) an associate (as defined in the *Securities Act* (Ontario)) of any person who is an insider by virtue of (a).

- 1.3.14 “**Market Value**” at any date in respect of the Shares means the volume weighted average trading price of such Shares on the NEO Exchange (or, if such Shares are not then listed and posted for trading on the NEO Exchange, on such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board) for the five consecutive trading days immediately preceding such date, provided that in the event that such Shares did not trade on any of such trading days, the Market Value shall be the average of the bid and ask prices in respect of such Shares at the close of trading on all of such trading days on which Shares did not trade and provided that in the event that such Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Shares as determined by the Board in its sole discretion.
- 1.3.15 “**NEO Exchange**” means Neo Exchange Inc. (operating as Cboe Canada).
- 1.3.16 “**Participant**” means such directors, officers, employees, independent contractors or Service Providers of the Corporation or any Subsidiary as the Board may designate to receive a grant of PSUs or RSUs under the Plan pursuant to an Award Agreement.
- 1.3.17 “**Performance Adjustment Factor**” means the performance adjustment factor (either upwards or downwards) calculated following the end of the Performance Period in accordance with the Award Agreement.
- 1.3.18 “**Performance Criteria**” means, in respect of a grant of a PSU, such financial or personal performance criteria as may be determined by the Board in respect of a grant of PSUs to any Participant and set out in an Award Agreement. Performance Criteria may apply to the Corporation, a Subsidiary, the Corporation and its Subsidiaries as a whole, a business unit of the Corporation or group comprised of the Corporation and one or more Subsidiaries, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified Performance Period, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparator group.
- 1.3.19 “**Performance Period**” means, in respect of a grant of a PSU, the particular designated time period(s) in respect of which the Performance Criteria are assessed and determined to be satisfied by the Board in order for such PSU to become a Vested PSU as set forth in the Award Agreement applicable to such grant.
- 1.3.20 “**Period of Absence**” means, with respect to an applicable Participant, a period of time that lasts for at least 90 days throughout which the Participant is: (i) on a leave of absence from the Corporation or a Subsidiary that has been approved by the Corporation or Subsidiary, as applicable; (ii) on a Statutory Leave; or (ii) experiencing a Disability.
- 1.3.21 “**Plan**” means this Performance and Restricted Share Unit Plan, including any schedules or appendices hereto, as such may be amended from time to time and as attached to an Award Agreement.
- 1.3.22 “**PSU Balance**” in respect of any particular date means the number of PSUs recorded in a Participant’s Account in respect of a particular Performance Period,

which shall include the PSU Award plus all Dividend Equivalent Units in respect of such PSUs.

- 1.3.23 “**PSU**” means a Performance Share Unit granted to a Participant that is represented by a bookkeeping entry on the books of the Corporation, the value of which on any particular date shall be equal to the Market Value and which generally becomes Vested, if at all, subject to the attainment of certain Performance Criteria and satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.
- 1.3.24 “**RSU**” means a Restricted Share Unit granted to a Participant that is represented by a bookkeeping entry on the books of the Corporation, the value of which on any particular date shall be equal to the Market Value and which generally becomes Vested, if at all, following a period of continuous employment or engagement of the Participant with the Corporation or a Subsidiary or service as a director.
- 1.3.25 “**RSU Balance**” in respect of any particular date means the number of RSUs recorded in a Participant’s Account in respect of a particular Vesting Period, which shall include the RSU Award plus all Dividend Equivalent Units in respect of such RSUs.
- 1.3.26 “**Service Provider**” means a person or company engaged to provide ongoing management or consulting services for the Corporation or for any entity controlled by the Corporation, which for greater certainty, includes an independent contractor.
- 1.3.27 “**Share**” means the common shares of the Corporation.
- 1.3.28 “**Share Compensation Arrangement**” means, in respect of the Corporation, a stock option, stock option plan, employee stock purchase plan, performance share unit plan, restricted share unit plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to directors, officers, employees, of the Corporation or its Subsidiaries or to Service Providers.
- 1.3.29 “**Statutory Leave**” means, with respect to an employee Participant, a period of time throughout which the Participant is on a leave of absence to which he or she is entitled under applicable legislation and following which he or she has the right, pursuant to such legislation, to return to active employment with the Corporation or a Subsidiary.
- 1.3.30 “**Stock Exchange**” means the NEO Exchange, or if the Shares are not listed on the NEO Exchange, such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market.
- 1.3.31 “**Stock Exchange Rules**” means the applicable rules of the Stock Exchange.
- 1.3.32 “**Subsidiary**” has the meaning assigned therein in the *Securities Act* (Ontario) and “**Subsidiaries**” has a corresponding meaning but including unincorporated entities.
- 1.3.33 “**Vested**” means the applicable conditions for payment or other settlement in relation to a whole number, or a percentage (which may be more or less than 100%)

of the number of Award PSUs or Award RSUs determined by the Board, which (i) have been met; or (ii) have been waived or deemed to be met pursuant to the terms of the Plan or the applicable Award Agreement, and “Vest” or “Vesting” have a corresponding meaning

1.3.34 “**Vesting Date**” means, with respect to a PSU or RSU, the date, as set forth in the Award Agreement, on which the applicable conditions for payment or other settlement of such PSU or RSU are met, deemed to have been met or waived as contemplated in Section 1.3.37.

2. CONSTRUCTION AND INTERPRETATION

- 2.1 **Gender, Singular, Plural.** In the Plan, references to the masculine include the feminine; and references to the-singular shall include the plural and vice versa, as the context shall require.
- 2.2 **Governing Law.** The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of Ontario.
- 2.3 **Severability.** If any provision or part of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.4 **Headings, Sections.** Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable.

3. EFFECTIVE DATE AND EMPLOYMENT RIGHTS

- 3.1 **Effective Date.** The Plan is adopted subject to the approval of the NEO Exchange, any other required regulatory approval and the approval of the shareholders of the Corporation in accordance with the policies of the NEO Exchange. To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in effect. The Plan shall become effective upon the later of the date of acceptance for filing of the Plan by the NEO Exchange and the date of approval of the Plan by the shareholders of the Corporation.
- 3.2 **No Employment Rights.** Nothing contained in the Plan shall be deemed to give any person the right to be retained as an employee of the Corporation or of a Subsidiary. For greater certainty, a period of notice, if any, or payment in lieu thereof, upon termination of employment, wrongful or otherwise, shall not be considered as extending the period of employment for the purposes of the Plan.

4. PSU AND RSU GRANTS AND PERFORMANCE PERIODS

- 4.1 **Awards of PSUs and RSUs.** The Plan shall be administered by the Board. The Board shall have the authority in its sole and absolute discretion to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or

necessary or advisable in the administration of the Plan, subject to and not inconsistent with the express provisions of this Plan, including, without limitation, the authority to:

- 4.1.1 determine the Award Value or the number of PSUs or RSUs to be awarded for each award under an Award Agreement;
- 4.1.2 make grants of PSUs and RSUs in respect of any award under an Award Agreement, provided that no Award will be granted during a blackout period or other trading restriction imposed by the Corporation or at any other time when the Board or the Corporation has any undisclosed material information;
- 4.1.3 determine the Award Date for grants of PSUs and RSUs, if not the date on which the Board determines to make such grants under an Award Agreement;
- 4.1.4 determine the Participants to whom, and the time or times at which, awards shall be made and PSUs and RSUs shall be granted under an Award Agreement;
- 4.1.5 approve or authorize the applicable form and terms of the related Award Agreements;
- 4.1.6 determine the terms and conditions of awards, and grants of PSUs and RSUs in respect thereof, to any Participant, including, without limitation the following, (A) the number of PSUs and RSUs to be granted; (B) the Performance Period(s) applicable to PSUs; (C) the Performance Criteria applicable to PSUs and any other conditions to the Vesting of any PSUs and RSUs granted hereunder; (D) the conditions, if any, upon which Vesting of any PSUs or RSUs will be waived or accelerated without any further action by the Board; (E) the extent to which the Performance Criteria must be achieved in order for any PSUs to become Vested PSUs and the Performance Adjustment Factor or other multiplier, if any, that will be applied to determine the number of PSUs that become Vested PSUs having regard to the achievement of the Performance Criteria; (F) the circumstances in which a PSU or RSU shall be forfeited, cancelled or expire; (G) the consequences of a termination of employment or service with respect to a PSU or RSU; (H) the manner of settlement of Vested PSUs and Vested RSUs, including whether particular Vested PSUs or Vested RSUs will be settled in cash or Shares issued from treasury; and (I) whether and the terms upon which any Shares delivered upon settlement of a PSU or RSU must continue to be held by a Participant for any specified period;
- 4.1.7 determine whether, and the extent to which, any Performance Criteria applicable to the Vesting of a PSU or other conditions applicable to the Vesting of a PSU or RSU have been satisfied or shall be waived or modified;
- 4.1.8 amend the terms of any outstanding Award Agreement provided, however, that no such amendment, shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding PSU or RSU related to such Award Agreement without his or her consent in writing and provided further, however, that the Board may amend the terms of an Award Agreement without the consent of the Participant if complying with Applicable Law;

- 4.1.9 determine whether, and the extent to which, adjustments shall be made pursuant to Section 5.3 and the terms of any such adjustments;
- 4.1.10 interpret the Plan and Award Agreements;
- 4.1.11 prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and Award Agreements;
- 4.1.12 determine the terms and provisions of Award Agreements (which need not be identical) entered into in respect of awards hereunder;
- 4.1.13 in the event there is any question as to whether a Change in Control has occurred in any circumstances, determine whether a Change in Control has occurred; and
- 4.1.14 make all other determinations deemed necessary or advisable for the administration of the Plan.

4.2 **Eligibility and Award Determination.**

- 4.2.1 In determining the Participants to whom awards may be made and the Award Value (and accordingly the number of PSUs and RSUs to be granted) for each award, or the specific number of PSUs or RSUs to be awarded (subject, in the case of PSUs, to adjustment based on achievement of Performance Criteria), the Board may take into account such factors as it shall determine in its sole and absolute discretion.
- 4.2.2 Unless the Board determines to grant a Participant a specific number of PSUs without specifying an Award Value, the PSUs granted to a Participant for a Performance Period shall be determined by dividing the Award Value determined for the Participant for such Performance Period by the Market Value (with currency conversion if necessary) as at the end of the calendar quarter immediately preceding the Award Date, rounded down to the next whole number.
- 4.2.3 Unless the Board determines to grant a Participant a specific number of RSUs without specifying an Award Value, the RSUs granted to a Participant shall be determined by dividing the Award Value of an award to be provided to the Participant in the form of RSUs by the Market Value (with currency conversion if necessary) as at the end of the calendar quarter immediately preceding the Award Date, rounded down to the next whole number.
- 4.2.4 For greater certainty and without limiting the discretion conferred on the Board pursuant to this Section, the Board's decision to approve a grant of PSUs in any Performance Period, or any grant of RSUs, shall not entitle any Participant to an award of PSUs in respect of any other Performance Period or any future grant of RSUs; nor shall the Board's decision with respect to the size or terms and conditions of an award require it to approve an award of the same or similar size or with the same or similar terms and conditions to any Participant at any other time. No Participant has any claim or right to receive an award or any PSUs or RSUs.

4.2.5 An Award Agreement shall set forth, among other things, the following: the Award Date of the award evidenced thereby; the number of PSUs or RSUs, as applicable, granted in respect of such award; the Performance Criteria and the Performance Adjustment Factor applicable to PSUs and any other conditions to the Vesting of the PSUs or RSUs, as applicable; in the case of PSUs, the applicable Performance Period; and may specify such other terms and conditions as the Board shall determine or as shall be required under any other provision of the Plan. The Board may include in an Award Agreement terms or conditions pertaining to confidentiality of information relating to the Corporation's operations or businesses which must be complied with by a Participant including as a condition of the grant or Vesting of PSUs or RSUs, provided that failure to include such confidentiality provision in an Award Agreement shall not excuse a Participant's confidentiality obligations pursuant to any employment contract, consulting or services agreement, corporate policy or statutory obligation applicable to such Participant.

4.3 **PSUs and RSUs.** Each whole PSU and RSU will give a Participant the right to receive either a Share or a cash payment, as determined by the Board, in an amount determined in accordance with the terms of the Plan and the applicable Award Agreement. For greater certainty, a Participant shall have no right to receive Shares or a cash payment with respect to any PSUs or RSUs that do not become Vested PSUs or Vested RSUs, as the case may be, under Article 7.

5. ACCOUNTS, DIVIDEND EQUIVALENTS AND REORGANIZATION

5.1 **Account.** An account ("Account") shall be maintained by the Corporation for each award made to each Participant pursuant to an Award Agreement and which will be credited with an opening balance equal to the Award PSUs or Award RSUs granted pursuant to such Award Agreement. PSUs or RSUs that fail to vest pursuant to Article 7, or that are paid out to the Participant or his legal representative, shall be cancelled and shall cease to be recorded in the Participant's Account as of the date on which such PSUs or RSUs, as applicable, are forfeited or cancelled under the Plan or are paid out, as the case may be.

5.2 **Dividend Equivalent Units.** When and if cash dividends are paid on the Shares during the period from the Award Date under the Award Agreement to the date of settlement of the PSUs or RSUs granted thereunder, additional PSUs or RSUs, as applicable, will be credited to the Participant's Account in accordance with this Section 5.2 ("**Dividend Equivalent Units**"). The number of such additional PSUs or RSUs to be credited to the Participant's Account in respect of any particular dividend paid on the Shares will be calculated by dividing (i) the amount of the cash dividend that would have been paid to the Participant if each of the PSUs and RSUs recorded in the Participant's Account (but for greater certainty not including any previous Dividend Equivalent Units received and recorded) as at the record date for the cash dividend had been Shares by (ii) the Market Value (with currency conversion if necessary) on the date on which the dividend is paid on the Shares, rounded down to the next whole number. Dividend Equivalent Units shall be subject to the same Vesting conditions and shall Vest and be paid at the same time as the PSUs or RSUs, as applicable, to which they relate.

5.3 **Adjustments.** In the event of any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other similar changes affecting the Shares, proportionate adjustments to reflect such change or changes

shall be made with respect to the number of PSUs and RSUs outstanding under the Plan, or securities into which the Shares are changed or are convertible or exchangeable and as may be substituted for Shares under this Plan, on a basis proportionate to the number of PSUs and RSUs in the Participant's Account or some other appropriate basis, all as determined by the Board in its sole discretion.

6. PAYMENT OF AWARDS BY TREASURY ISSUANCES

- 6.1 **Maximum Number of Shares Issuable from Treasury.** The aggregate number of Shares that are issuable under the Plan to pay awards which have been granted and are outstanding under the Plan, together with Shares that are issuable pursuant to outstanding awards or grants under any other Share Compensation Arrangement, shall not at any time exceed 15% of the Shares then issued and outstanding, subject to adjustment as provided in Section 5.3 above to give effect to any relevant changes in the capitalization of the Corporation, and provided that for the purpose of such calculation, the number of Shares then issued and outstanding shall include the number of Shares issuable upon conversion of the then issued and outstanding Shares. Shares in respect of which Awards have been granted but which are: (i) vested and redeemed; or (ii) forfeited, surrendered, cancelled or otherwise terminated or expire without the delivery of Shares shall be available for subsequent Awards. In addition, the number of Shares subject to an Award (or portion thereof) that the Corporation permits to be settled in cash in lieu of settlement in Shares shall be available for subsequent Awards.
- 6.2 **Issuances of Shares from Treasury.** All issuances of Shares from treasury to pay awards as contemplated by Section 7.4 shall be deemed to be issued at a price per Share equal to the Market Value on the date of issuance.
- 6.3 **Participation Limits.** Awards under the Plan shall be limited as follows:
- 6.3.1 the total number of Shares reserved for issuance to Insiders (as a group) under the Plan, together with Shares reserved for issuance to Insiders under any other Share Compensation Arrangement, shall not at any time exceed 15% of the issued and outstanding Shares;
- 6.3.2 within any one-year period the aggregate number of Shares issued to Insiders (as a group) pursuant to the Plan and any other Share Compensation Arrangement shall not exceed 15% of the issued and outstanding Shares.

7. VESTING AND PAYMENT OF AWARDS

- 7.1 **Vesting of PSUs.** Upon the first day immediately following the end of the Performance Period, PSUs represented by the PSU Balance as at such date shall Vest subject to the terms hereof, with the number of Vested PSUs being equal to the PSU Balance as at such date multiplied by the Performance Adjustment Factor as determined by the Board in accordance with the Award Agreement. For certainty, in the event the Performance Adjustment Factor is equal to zero, no PSUs will vest. Except where the context requires otherwise, each PSU which vests pursuant to Article 7 and each Dividend Equivalent Unit credited in respect of such PSUs after the Performance Period and prior to the date of settlement shall be referred to herein as a Vested PSU. PSUs which do not become Vested PSUs in accordance with this Article 7 shall be forfeited by the Participant and the Participant will have no further right, title or interest in such PSUs. The Participant waives any and all right to compensation or damages in consequence of the termination of

employment or the termination of engagement of services (whether lawfully or unlawfully) or otherwise for any reason whatsoever insofar as those rights arise or may arise from the Participant ceasing to have rights or be entitled to receive any Shares or cash payment under the Plan pursuant to this Section 7.1.

- 7.2 **Performance Criteria.** The PSUs granted to a Participant under an Award Agreement and Section 4.1 (and the related Dividend Equivalent Units credited in respect of such PSUs) shall become Vested PSUs only upon the Board's determination with respect to the Performance Adjustment Factor in accordance with the Award Agreement applicable to such PSUs or have been waived in accordance with Section 4.1.7.
- 7.3 **Vesting of RSUs.** Upon the Vesting Date(s) specified in the applicable Award Agreement the RSUs comprising a Participant's RSU Balance shall Vest in such proportion as may be determined in accordance with such Award Agreement. Except where the context requires otherwise, each RSU which vests pursuant to Article 7 and each Dividend Equivalent Unit credited in respect of such RSU after its Vesting Date and prior to the date of settlement shall be referred to herein as a Vested RSU. RSUs which do not become Vested RSUs in accordance with this Article 7 shall be forfeited by the Participant and the Participant will have no further right, title or interest in such RSUs. The Participant waives any and all right to compensation or damages in consequence of the termination of employment or the termination of engagement of services (whether lawfully or unlawfully), or otherwise for any reason whatsoever insofar as those rights arise or may arise from the Participant ceasing to have rights or be entitled to receive any Shares or cash payment under the Plan pursuant to this Section 7.3.
- 7.4 **Payment in Shares.** In the event that a Participant's Vested PSUs or Vested RSUs have been designated by the Board for settlement in Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a number of Shares equal to the number of Vested PSUs or Vested RSUs, as the case may be, credited to the Participant's Account (rounded down to the nearest whole number of Shares). Subject to the terms of the Award Agreement, such Shares shall be distributed to the Participant or his legal representative, as applicable, as soon as practicable following the applicable Vesting Date. For purposes of clarity of the intent to comply with certain Canadian tax rules, in no event shall the payment to a Participant who is an employee for purposes of the *Income Tax Act* (Canada) be made later than December 31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.
- 7.5 **Payment in Cash.** In the event that a Participant's Vested PSUs or Vested RSUs have not been designated by the Board for settlement in Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a cash payment equal to: (i) in the case of PSUs, the Market Value determined as of the last day of the Performance Period multiplied by the number of Vested PSUs credited to his PSU Account as determined in accordance with Section 7.1 (rounded down to the nearest whole number of PSUs); and (ii) in the case of RSUs, the Market Value determined as of the Vesting Date of such RSUs multiplied by the number of Vested RSUs credited to his RSU Account as determined in accordance with Section 7.3 (rounded down to the nearest whole number of RSUs). Subject to Section 10.9 and the terms of the Award Agreement, the cash payment shall be made to the Participant or his legal representative, as applicable, in a single lump sum as soon as practicable following the applicable Vesting Date. For purposes of clarity of the intent to comply with certain Canadian tax rules, in no event shall the payment to a Participant who is an employee for purposes of the *Income Tax Act* (Canada) be made later than December

31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.

7.6 **Death. Period of Absence.**

7.6.1 **Death.** Where the employment, engagement of services, or service as a director of a Participant terminates during a Performance Period in the case of PSUs or prior to a Vesting Date in the case of RSUs by reason of the Participant's death: (i) the PSUs credited to the Participant's Account as at December 31 of the year immediately preceding the Participant's date of death shall continue to be eligible to become Vested PSUs in accordance with Sections 7.1 and 7.2; and (ii) the RSUs credited to the Participant's Account as at December 31 of the year immediately preceding the Participant's date of death shall Vest as of the Participant's date of death. The estate of the Participant shall be entitled to receive cash or Shares (or a combination thereof) as specified by the Board determined in accordance with Sections 7.4 or 7.5. For greater clarity, the number of Vested PSUs used to calculate the value of the payment shall equal the number of Vested PSUs determined in accordance with Sections 7.1 and 7.2 as at December 31 of the year immediately preceding the Participant's date of death.

7.6.2 **Period of Absence.** In the event of a Participant's Period of Absence during a Performance Period for PSUs or prior to a Vesting Date for RSUs and subject to this Section 7.6.2 and Section 7.6.4, PSUs and RSUs credited to the Participant's Account immediately prior to the commencement of such Period of Absence (and any related Dividend Equivalent PSUs and RSUs) shall continue to be eligible to become Vested in accordance with the provisions of Sections 7.1 and 7.3 and the Participant shall be entitled to receive cash or Shares (or a combination thereof) as specified by the Board in respect of such Vested PSUs and Vested RSUs determined in accordance with Sections 7.4 or 7.5, as applicable, except that the number of Vested PSUs and Vested RSUs used to calculate the value of the payment shall equal the number of Vested PSUs or Vested RSUs, as applicable determined in accordance with Section 7.1 and 7.3 multiplied by a fraction, (i) in the case of PSUs, the numerator of which equals the number of whole and partial months in the Performance Period for which the Participant actively performed services for the Corporation or a Subsidiary and the denominator of which equals the number of whole and partial months in the Performance Period; and (ii) in the case of RSUs, the numerator of which equals the number of whole and partial months in the period from the Award Date to the Vesting Date of such RSUs for which the Participant actively performed services for the Corporation or a Subsidiary and the denominator of which equals the number of whole and partial months in the period from the Award Date to the Vesting Date of such RSUs.

7.6.3 **No Additional Grants.** For greater clarity, no additional PSUs or RSUs (whether pursuant to Section 4.1 or in the form of Dividend Equivalent Units) shall be granted to a Participant following his or her date of death or during his or her Period of Absence, including following his or her date of Disability.

7.6.4 **Failure to Return.** Notwithstanding Section 7.6.2, where a Participant experiences a Period of Absence that extends beyond the end of a Performance Period for PSUs or a Vesting Date for RSUs and fails to return to active full-time employment with the Corporation or a Subsidiary within 180 days following the end of such Performance Period or such Vesting Date, no portion of the PSUs

subject to such Performance Period or RSUs that would otherwise Vest on such Vesting Date shall Vest and the Participant shall receive no payment or other compensation in respect of such PSUs or RSUs or loss thereof, on account of damages or otherwise.

7.7 **Other Terminations Events.** Except as otherwise provided in the Award Agreement governing the grant of PSUs or RSUs to a Participant or a written employment or other agreement between the Participant and the Corporation or any Subsidiary, in the event that, during a Performance Period with respect to PSUs or prior to a Vesting Date with respect to RSUs, (i) the Participant's employment, engagement of services, or service as a director is terminated by the Corporation or a Subsidiary of the Corporation for any reason, or (ii) a Participant voluntarily terminates his employment or engagement of services with the Corporation or a Subsidiary of the Corporation or service as a director, including due to retirement, no portion of the PSUs subject to such Performance Period or RSUs that would otherwise Vest on such Vesting Date shall Vest and the Participant shall receive no payment or other compensation in respect of such PSUs or RSUs or loss thereof, on account of damages or otherwise; provided that any Vested PSUs and Vested RSUs will be settled in accordance with Sections 7.4 and 7.5.

7.8 **Change in Control.** Notwithstanding any other provision of the Plan, but subject to the terms of any Award Agreement, any employment agreement or any consulting or services agreement between the Participant and the Corporation or any Subsidiary, in the event of a Change in Control, all PSUs and RSUs credited to each Account (including for greater certainty Dividend Equivalent Units) which have not become Vested PSUs or Vested RSUs, shall become Vested PSUs and Vested RSUs on the basis of one PSU becoming one Vested PSU and one RSU becoming one Vested RSU, as at the time of Change in Control (unless otherwise determined by the Board). As soon as practicable following a Change in Control each Participant shall, at the discretion of the Board, receive in cash or in Shares (or a combination thereof) a payment equal to the number of such Vested PSUs and Vested RSUs (as determined pursuant to this Section 7.8) credited to the Participant's Account at the time of the Change in Control (rounded down to the nearest whole number of Vested PSUs and Vested RSUs) multiplied by the price at which the Shares are valued for the purpose of the transaction or series of transactions giving rise to the Change in Control, or if there is no such transaction or transactions at the Market Value on the date of the Change in Control, less any statutory withholdings or deductions. Notwithstanding the foregoing, where a Change in Control occurs and no Shares are distributed and no cash payments are made to a Participant within 30 days following the Change in Control, the Corporation shall cease to have the discretion to provide the Participant with Shares and shall be required to pay (or cause a Subsidiary to pay) to the Participant in respect of his Vested PSUs and Vested RSUs and Dividend Equivalent Units in cash the amount determined in accordance with the payment formula set out above.

8. CURRENCY

8.1 **Currency.** All references in the Plan to currency refer to Canadian dollars.

9. SHAREHOLDER RIGHTS

9.1 **No Rights to Shares.** PSUs and RSUs are not Shares and neither the grant of PSUs or RSUs nor the fact that Shares may be acquired by, or provided from, the Corporation in satisfaction of Vested PSUs or Vested RSUs will entitle a Participant to any shareholder

rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

10. ADMINISTRATION

- 10.1 **Delegation and Administration.** The Board may, in its discretion, delegate such of its powers, rights and duties under the Plan, in whole or in part, to any committee of the Board or any one or more directors, officers or employees of the Corporation or its Subsidiaries as it may determine from time to time, on terms and conditions as it may determine, except the Board shall not, and shall not be permitted to, delegate any such powers, rights or duties to the extent such delegation is not consistent with Applicable Law.
- 10.2 **Effects of Board's Decision.** Any interpretation, rule, regulation, determination or other act of the Board hereunder shall be made in its sole discretion and shall be conclusively binding upon all persons.
- 10.3 **Liability Limitation.** No member of the Board or any officer, director or employee of the Corporation or any Subsidiary shall be liable for any action or determination made in good faith pursuant to the Plan or any Award Agreement under the Plan. To the fullest extent permitted by law, the Corporation and its Subsidiaries shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Board or is or was an officer, director or employee of the Corporation or a Subsidiary.
- 10.4 **Compliance with Laws and Policies.** The Corporation's issuance of any PSUs and RSUs and its obligation to make any payments or discretion to provide any Shares hereunder is subject to compliance with Applicable Law. Each Participant shall acknowledge and agree (and shall be conclusively deemed to have so acknowledged and agreed by participating in the Plan) that the Participant will, at all times, act in strict compliance with Applicable Law and all other laws and any policies of the Corporation applicable to the Participant in connection with the Plan including, without limitation, furnishing to the Corporation all information and undertakings as may be required to permit compliance with Applicable Law. Such laws, regulations, rules and policies shall include, without limitation, those governing "insiders" or "reporting issuers" as those terms are construed for the purposes of Applicable Laws.
- 10.5 **Withholdings.** So as to ensure that the Corporation or a Subsidiary, as applicable, will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, the Corporation, or a Subsidiary may withhold or cause to be withheld from any amount payable to a Participant, either under this Plan, or otherwise, such amount, or may require the sale of such number of Shares, as may be necessary to permit the Corporation or the Subsidiary, as applicable, to so comply.
- 10.6 **No Additional Rights.** Neither designation of an employee or Service Provider as a Participant nor the establishment of an Award Value for or grant of any PSUs or RSUs to any Participant entitles any person to the establishment of an Award Value, grant, or any additional grant, as the case may be, of any PSUs or RSUs under the Plan.
- 10.7 **Amendment, Termination.** The Plan may be amended or terminated at any time by the Board in whole or in part, provided that:

- 10.7.1 no amendment of the Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to PSUs or RSUs granted prior to the date of the amendment;
- 10.7.2 no amendment of the Plan shall be effective unless such amendment is approved by the Stock Exchange whose approval is required under Stock Exchange Rules; and
- 10.7.3 approval by a majority of the votes cast by shareholders present and voting in person or by proxy at a meeting of shareholders of the Corporation shall be obtained for any:
 - 10.7.3.1 amendment for which, under the requirements of the Stock Exchange or any applicable law, shareholder approval is required;
 - 10.7.3.2 a reduction in pricing of an award under the Plan (other than an adjustment pursuant to Section 5.3) or the cancellation and reissuance of awards under the Plan;
 - 10.7.3.3 extension of the term of an award under the Plan beyond the original expiry date of the award;
 - 10.7.3.4 any amendment to remove or exceed the Insider participation limits set out in Sections 6.3.1 or 6.3.2;
 - 10.7.3.5 an increase to the maximum number of Shares which may be issuable under the Plan, other than an adjustment pursuant to Section 5.3;
 - 10.7.3.6 amendment to this Section 10.7.

10.8 **Administration Costs.** The Corporation will be responsible for all costs relating to the administration of the Plan. For greater certainty and unless otherwise determined by the Board, a Participant shall be responsible for brokerage fees and other administration or transaction costs relating to the transfer, sale or other disposition of Shares on behalf of the Participant that have been previously distributed to or provided to the Participant pursuant to the Plan.

10.9 **Compensation Recoupment Policy.** Any awarding of PSUs or RSUs under the Plan, the Vesting thereof and the settlement of Awards pursuant thereto are subject to the Compensation Recoupment Policy of the Corporation.

11. NO FINANCIAL ASSISTANCE

11.1 **No Financial Assistance.** The Corporation shall not provide financial assistance to Participants in connection with the Plan.

12. ASSIGNMENT

12.1 **Assignment.** The assignment or transfer of the PSUs or RSUs, or any other benefits under this Plan, shall not be permitted, other than by operation of law or normal estate settlement purposes.

