



**NOTICE OF ANNUAL AND SPECIAL MEETING**  
**to be held on October 27, 2022**

**- and -**

**MANAGEMENT INFORMATION CIRCULAR**

**Dated: September 23, 2022**

**COTEC HOLDINGS CORP.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON OCTOBER 27, 2022**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the shareholders of CoTec Holdings Corp. (the “**Company**” or “**CoTec**”) will be held virtually via live webcast at [meetnow.global/MFKTYSZ](https://meetnow.global/MFKTYSZ), on October 27, 2022 at 9:00 a.m. (Vancouver time), for the following purposes, as more particularly described in the accompanying management information circular (the “**Circular**”):

1. to receive and consider the financial statements for the fiscal year ended December 31, 2021 and the auditor’s report thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint an auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to consider, and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set out in the Circular, to approve a new equity incentive plan for the Company; and
5. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

**The nature of the business to be transacted at the Meeting is described in further detail in the Circular. The Circular is deemed to form part of this notice of meeting. Please read the Circular carefully before you vote on the matters being transacted at the Meeting.**

Holders of common shares registered on the books of the Company at the close of business on September 20, 2022 are entitled to notice of and to vote at the Meeting.

**This year, registered shareholders and duly appointed proxyholders are invited to attend the Meeting by live webcast, which will enable registered shareholders and duly appointed proxyholders to submit questions and vote online.** Non-registered shareholders holding common shares beneficially through an intermediary (“**Non-Registered Shareholders**”) who have not appointed themselves may attend the live webcast of the Meeting, but will not have the ability to vote virtually or ask questions.

The accompanying form of proxy or voting instruction form includes detailed instructions on how to attend and vote virtually at the Meeting.

**INSTRUCTION FOR ATTENDING THE MEETING VIA LIVE WEBCAST:** Shareholders and duly appointed proxyholders are invited to attend the Meeting virtually via live webcast, by going to [meetnow.global/MFKTYSZ](https://meetnow.global/MFKTYSZ).

- For Registered Shareholders and Duly Appointed Proxyholders:
  - Registered Shareholders: click on “Shareholder” and enter your 15-digit control number located on the form of proxy or in the email notification you received.
  - Duly Appointed Proxyholders: click on “Invitation” and enter your Invite Code provided by Computershare after the voting deadline has passed.
- For Non-Registered Shareholders:
  - Click on “Guest” and complete the online form; however, Non-Registered Shareholders will not be able to vote or submit questions at the Meeting.

## **Voting by Proxy, Telephone or Online**

If you are unable to attend the Meeting, then we invite you to date, sign and return the enclosed form of proxy. Proxies to be used at the Meeting must be deposited with Computershare (Attention: Proxy Department), 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 before 9:00 am (Vancouver time) on October 25, 2022. Late proxies may be accepted or rejected by the Chair of the Meeting in their discretion, and the Chair is under no obligation to accept or reject any particular late proxy. Shareholders may also elect to vote by use of the telephone or via the internet in accordance with the instructions on the applicable form of proxy.

Non-Registered Shareholders wishing to be represented by proxy at the Meeting or any adjournment(s) of the Meeting must have deposited their completed voting instruction form in accordance with the directions provided on their voting instruction form.

Shareholders, including Non-Registered Shareholders, who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their proxy or voting instruction form before registering their proxyholder. Registering the proxyholder is an additional step once the shareholder has submitted their proxy or voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code that would allow them to participate in the online Meeting.**

To register a proxyholder shareholders **must** visit <https://www.computershare.com/cotec> and provide Computershare with their proxyholder's contact information by 9:00 am (Vancouver time) on October 25, 2022, so that Computershare may provide the proxyholder with an Invite Code via email. **In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.**

The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the meeting prior to the start time. **It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

**A Management Information Circular is attached to this Notice of Meeting. Shareholders are reminded to review the Management Information Circular before voting.**

DATED this 23<sup>rd</sup> day of September, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Raffaele (Lucio) Genovese"*

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Raffaele (Lucio) Genovese

Chair

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD OCTOBER 27, 2022**

**MANAGEMENT INFORMATION CIRCULAR**

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by management of CoTec Holdings Corp. (the “**Company**”) for use at the annual and special meeting of the shareholders of the Company (the “**Meeting**”) to be held virtually via live webcast at [meetnow.global/MFKTYSZ](https://meetnow.global/MFKTYSZ), on October 27, 2022 at 9:00 a.m. (Vancouver time) or any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of annual general meeting of shareholders (the “**Notice of Meeting**”). Unless otherwise stated, all information in this Circular is current as of September 21, 2022 and all references to dollars, “\$” or “C\$” are to Canadian dollars.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

**The solicitation of proxies is being made by or on behalf of management of the Company.** It is expected that the solicitation of proxies will be made primarily by mail, but may be supplemented by telephone or other form of correspondence. The cost of solicitation of proxies will be borne by the Company. The Company will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**National Instrument 54-101**”). This cost is expected to be nominal.

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 the Company. 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.

**Non-Registered Shareholders**

Only registered shareholders of the Company, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, common shares of the Company (“**Common Shares**”) beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

The meeting materials are being sent to both registered and non-registered owners of Common Shares. The Company is sending this Circular and the form of proxy (the “**Meeting Materials**”) directly to non-objecting beneficial owners under National Instrument 54-101.

In accordance with the requirements of National Instrument 54-101, the Company is sending the Meeting Materials to the Intermediaries and clearing agencies for onward distribution to objecting beneficial owners. Intermediaries are required to forward the Meeting Materials to objecting beneficial owners unless the objecting beneficial owners have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to objecting beneficial owners. The Company intends to pay for Intermediaries to forward the Meeting Materials to objecting beneficial owners under National Instrument 54-101. Generally, objecting beneficial owners who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the objecting beneficial owners and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow; or
- (b) be given a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Common Shares beneficially owned by the objecting beneficial owners but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the objecting beneficial owners when submitting the proxy.

The purpose of these procedures 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 voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

The Company is not relying on the "notice-and-access" provisions set out in National Instrument 54-101 to distribute copies of the proxy-related materials in connection with the Meeting.

All references to shareholders in this Circular and the accompanying proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

#### **Appointment and Revocation of Proxies – Registered Shareholders**

To limit attendance at the Meeting, the Company encourages shareholders to vote by proxy. A form of proxy for use at the Meeting or any adjournment thereof was mailed to shareholders as part of the Meeting Materials.

**The persons named in the form of proxy accompanying this Circular are directors and/or officers of the Company. A shareholder of the Company has the right to appoint a person or company (who need not be a shareholder), other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Computershare Investor Services Inc. in time for use at the Meeting in the manner specified in the Notice of Meeting.**

A registered shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by 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, with Computershare Investor Services Inc., 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attn: Proxy Dept. not later than 9:00 a.m. (Vancouver time) on October 25, 2022 (or at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia, prior to the time set for the Meeting or any adjournment thereof). Late proxies may be accepted or rejected by the chair of the Meeting (the "Chair") at his or her discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair at his or her discretion, without notice.

Only registered shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and if necessary revoke their proxy.

## **Exercise of Discretion by Proxies**

Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder thereon. **In the absence of instructions, such Common Shares will be voted for each of the matters referred to in the Notice of Meeting as specified thereon.**

**The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof.** At the date hereof, management of the Company knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Company should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy therein.

## **Signing of Proxy**

The form of proxy must be signed by the shareholder of the Company or the duly appointed attorney of the shareholder of the Company authorized in writing or, if the shareholder of the Company is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company. A shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy 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.

## **VOTING AND PARTICIPATING AT THE MEETING**

**This year, registered shareholders and duly appointed proxyholders are invited to attend the Meeting by live webcast, which will enable registered shareholders and duly appointed proxyholders to submit questions and vote online.** Non-Registered Shareholders who have not appointed themselves may attend the live webcast of the Meeting, but will not have the ability to vote virtually or ask questions. A summary of the information shareholders will need to attend and vote at the Meeting

### **Attending the Meeting via Live Webcast**

To attend the Meeting, log in online at [meetnow.global/MFKTYSZ](http://meetnow.global/MFKTYSZ). You should allow ample time to check into the Meeting online and complete the related procedures. It is recommended that you log in at least fifteen minutes before the Meeting starts. Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including Non-Registered Shareholders who have duly appointed themselves as proxyholders, to participate in the Meeting and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Registered shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting. Non-Registered Shareholders who have not duly appointed themselves as a proxyholder will be able to attend the Meeting but only as a guest and will not be able to vote or submit questions at the Meeting.

If you attend the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

If you have any difficulties accessing the Meeting, you may contact our webcast provider at: 888-724-2416 (local) or +1 781-575-2748 (international).

It is recommended that shareholders and proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by using the relevant dialogue box in the function “Q&A” during the Meeting. Written questions or comments submitted through the dialogue box function will be read or summarized by a representative of the Company, after which the Chair of the Meeting or members of management present at the Meeting will respond. Questions relating to a matter to be voted on at the Meeting will be responded to before a vote is held on such matter.

In order to facilitate a respectful and effective Meeting, only questions of general interest to all shareholders will be answered. If several questions relate to the same or similar topic, the Company will group the questions and state that it has received similar questions.

In the event of technical malfunction or other significant problem that disrupts the Meeting, the Chair of the Meeting may adjourn, recess or expedite the Meeting, or take such other action as the Chair determines is appropriate considering the circumstances.

#### *Participation by Registered Shareholders and Duly Appointed Proxyholders*

Registered shareholders that have a 15-digit control number located on their form of proxy, along with duly appointed proxyholders who were assigned an Invite Code by Computershare, will be able to vote and submit questions during the Meeting. To attend the Meeting, go to [meetnow.global/MFKTYSZ](https://meetnow.global/MFKTYSZ) before the start of the Meeting. To log in, click on “Shareholder” and enter your 15-digit control number or “Invitation” and enter your Invite Code.

Registered shareholders using a 15-digit control number to log in to the online Meeting will be required to accept the terms and conditions of the Meeting. If a registered shareholder who has submitted a form of proxy attends the Meeting via webcast and proceeds with voting at the Meeting, any and all previously submitted proxies will be revoked. If you do not wish to revoke all previously submitted proxies, do not vote at the Meeting.

#### *Participation by Non-Registered Shareholders*

Non-Registered Shareholders who have not appointed themselves as a proxyholder to vote at the Meeting but who wish to attend the Meeting virtually will only be able to attend as a guest. To do so, go to [meetnow.global/MFKTYSZ](https://meetnow.global/MFKTYSZ) before the start of the Meeting. Click on “Guest” and complete the online form. Non-Registered Shareholders will be able to listen to the Meeting but will not be able to vote or submit questions.

#### *Participation by United States Non-Registered Shareholders*

To attend and vote at the Meeting virtually, you must first obtain a legally valid proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker, bank or other agent included with the proxy materials, or contact your broker, bank or other agent to request a legal proxy form.

After obtaining a valid legal proxy form from your broker, bank or other agent, you must then submit a copy of your completed legal proxy to Computershare to register to attend the Meeting. Requests for registration should be directed to Computershare at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 or by email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com). Requests for registration must be labeled as “Legal Proxy” and be received no later than 9:00 am (Vancouver time) on October 25, 2022. You will receive a confirmation of your registration by email after we receive your registration materials. Once this process is complete, you may attend the Meeting and vote your Common Shares at [meetnow.global/MFKTYSZ](https://meetnow.global/MFKTYSZ) during the Meeting. You are required to register your appointment at <https://www.computershare.com/cotec>. (See the information under the heading “Registration of Proxyholders” below for details.)

If you use a 15-digit control number to log in to the live webcast and you accept the terms and conditions of the Meeting, you will revoke any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forward at the Meeting. If you **do not** wish to revoke all previously submitted proxies, do not accept the terms and conditions of the Meeting, in which case you will enter the Meeting as a guest.

## Voting at the Meeting

Each registered shareholder, and each Non-Registered Shareholder who has appointed themselves or a third-party proxyholder to represent them at the Meeting, will appear on a list of shareholders and proxyholders prepared by Computershare, the Company's registrar and transfer agent. To have their Common Shares voted at the Meeting, each registered shareholder or duly appointed proxyholder will be required to enter their control number or Invite Code provided by Computershare at [meetnow.global/MFKTYSZ](https://meetnow.global/MFKTYSZ) before the start of the Meeting. Non-Registered Shareholders who wish to attend and vote at the Meeting should appoint themselves as a proxyholder and **must** register with Computershare at <https://www.computershare.com/cotec> **after** submitting their voting instruction form to receive an Invite Code that can be used to log in to the Meeting. (See the information under the heading "Registration of Proxyholders" below for details.)

Non-Registered Shareholders who have not appointed themselves as a proxyholder will not be able to participate or vote at the Meeting, but will be able to attend and listen to the Meeting as a guest. This is because the Company and Computershare do not have a record of the Non-Registered Shareholders of the Company and, as a result, cannot verify a Non-Registered Shareholder's shareholdings or entitlement to vote unless that Non-Registered Shareholder appoints themselves as a proxyholder. See "Registration of Proxyholders" and "Non-Registered Shareholders."

If you are a Non-Registered Shareholder and wish to vote at the Meeting, you must appoint yourself as a proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and must follow all instructions, including regarding deadlines, provided by your Intermediary.

## Registration of Proxyholders

Shareholders who wish to appoint a third party proxyholder to represent them at the live webcast **must submit their proxy or voting instruction form before registering their proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving an Invite Code that would allow them to participate in the Meeting.** To register a proxyholder, shareholders **must** visit <https://www.computershare.com/cotec> and provide Computershare with their proxyholder's contact information by 9:00 am (Vancouver time) on October 25, 2022, so that Computershare may provide the proxyholder with an Invite Code via email. **Without an Invite Code, proxyholders will not be able to attend and vote at the Meeting.**



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

Except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a *pro rata* basis by all holders of shares in the capital of the Company, or as otherwise disclosed herein, no (i) director or executive officer of the Company at any time since the beginning of the Company's last financial year, (ii) proposed nominee for election as a director of the Company, or (iii) any associate of a person in (i) or (ii) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in the matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors, the matters set out under the heading "Particulars of Matters to be Acted Upon".

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the time of close of business on September 20, 2022 (the "Record Date"), there were 38,489,316 Common Shares outstanding. Each Common Share carries the right to one vote per Common Share. Each holder of outstanding Common Shares of record at the time of close of business on the Record Date will be given notice of the Meeting and is entitled to vote at the Meeting the number of Common Shares of record held by him, her or it on the Record Date.

To the knowledge of the directors and senior officers of the Company, as of the date hereof the only persons who beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Common Shares are as follows:

Name	Number of Common Shares	Percentage of Common Shares Owned
Braam Jonker <i>Vancouver, British Columbia</i>	7,173,611 <sup>(1)</sup>	18.63%
Kings Chapel International Limited <i>St. Helier, Jersey</i>	6,409,359 <sup>(3)</sup>	16.65%
John Conlon <i>Toronto, Ontario</i>	6,080,971 <sup>(2)</sup>	15.80%

(1) Consists of 5,831,611 Common Shares held by Mr. Jonker and 1,300,000 Common Shares held by Martha Jonker. In addition, Martha Jonker holds 200,000 Common Share warrants.

(2) Consists of 5,073,061 Common Shares held by Mr. Conlon and 1,007,910 Common Shares held by 1662287 Ontario Inc. (a company controlled by Mr. Conlon). In addition, Mr. Conlon holds 130,909 Common Share warrants.

(3) Kings Chapel also holds 1,698,299 Common Share warrants. In addition, Julian Treger, the Company's Chief Executive Officer and a director of the Company, owns 693,000 Common Shares, 200,000 Common Share warrants and stock options to purchase 1,354,936 Common Shares. Mr. Treger is a beneficiary of a family trust associated with Kings Chapel.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Election of Directors

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of the current nominees whose names are set forth below.

Management does not contemplate that any of the current nominees will not be able to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. The terms of office of the Company's current directors will expire as of the date of the Meeting. Each director elected at the Meeting will hold office until the next annual meeting of shareholders of the Company, or until their resignation or removal, or until their respective successors have been duly elected or appointed in accordance the provisions of the *Business Corporations Act* (British Columbia).

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employment for the past five years, their periods of service as directors of the Company and the number of Common Shares of the

Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

<p><b>Julian Treger</b><sup>(2)</sup> United Kingdom</p> <p><b>Position with the Company:</b> President, Chief Executive Officer and Director</p> <p><b>Director Since:</b> 2021</p> <p><b>Common Shares Held:</b> 693,000<sup>(3)</sup></p>	<p><b>Principal Occupation:</b></p>	<p>President and Chief Executive Officer of the Company since April 2022; Chief Executive Officer, Anglo Pacific Group Plc until March 2022</p>
	<p><b>Biographical Information:</b></p>	<p>Mr. Treger is the former Chief Executive Officer of Anglo Pacific Group Plc. During his tenure at Anglo Pacific Group, he has made \$450 million of acquisitions, transforming the business from a coal-based royalty business to a batter focused streamer, whilst increasing income from £3 million in 2013 to close to £60 million in 2019 pre-Covid. Mr. Treger also serves as non-executive chairman of Audley Capital Advisors LLP, an investment advisory firm focused on natural resources which has a long track record of transforming and unlocking considerable value in the commodities extraction space, notable at Western Coal Corp which it restructured pre-bankruptcy and oversaw the sale a few years later at a value of \$3.3 billion and at Mantos Copper, acquired from Anglo American for \$300 million and now worth well over \$1 billion. In addition, Mr. Treger holds external non-executive directorships with Broadwell Capital and BSL plc. He has a BA from Harvard College and an MBA from Harvard Business School.</p>
	<p><b>Meeting Attendance Record for the Financial Year Ending December 31, 2021</b></p>	<p>2/2</p>
	<p><b>Principal Occupation:</b></p>	<p>CEO of Nage Capital Management and corporate director.</p>

<p><b><u>Raffaele (Lucio) Genovese</u></b><sup>(1)(2)</sup> Switzerland</p> <p><b>Position with the Company:</b> Chair of the Board</p> <p><b>Director Since:</b> 2021</p> <p><b>Common Shares Held:</b> 2,696,969<sup>(4)</sup></p>	<p><b>Biographical Information:</b></p>	<p>Mr. Lucio Genovese has over 30 years of experience in both the merchant and financial sector of the metals and mining industry. Mr. Genovese is the CEO of Nage Capital Management in Baar, Switzerland. He is also Chairman of Ferrexpo plc and a member of the board of directors of Nevada Copper Corp. He was previously employed at Glencore International AG where he held several senior positions including CEO of the CIS region and manager of the Moscow office. Mr. Genovese is a Chartered Accountant and has a B.Comm and B.Acc from the University of Witwatersrand, Johannesburg (South Africa).</p>
	<p><b>Meeting Attendance Record for the Financial Year Ending December 31, 2021</b></p>	<p>2/2</p>
<p><b><u>Tom Albanese</u></b><sup>(2)</sup> New Jersey, United States</p> <p><b>Position with the Company:</b> Director</p> <p><b>Director Since:</b> 2021</p> <p><b>Common Shares Held:</b> Nil.</p>	<p><b>Principal Occupation:</b></p>	<p>Chief Executive Officer and director of Vendata Resources Plc and Vendata Limited, 2014-2017 and corporate director.</p>
	<p><b>Biographical Information:</b></p>	<p>Mr. Albanese previously served as Chief Executive Officer of Rio Tinto plc from 2007 to 2013 and as Chief Executive Officer and Director of Vedanta Resources plc and Vedanta Limited from 2014 to 2017. He currently serves as Lead Independent Director of Nevada Copper Corp and as non-executive director of Franco-Nevada Corporation and previously served on the Board of Directors of Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited. He holds a Master of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics, both from the University of Alaska Fairbanks.</p>
	<p><b>Meeting Attendance Record for the Financial Year Ending December 31, 2021</b></p>	<p>2/2</p>
<p><b><u>John Conlon</u></b> Ontario, Canada</p> <p><b>Position with the Company:</b> Director</p> <p><b>Director Since:</b> 2008</p> <p><b>Common Shares Held:</b> 6,080,971<sup>(5)</sup></p>	<p><b>Principal Occupation:</b></p>	<p>Corporate director.</p>
	<p><b>Biographical Information:</b></p>	<p>Mr. John Conlon has been involved in the mining industry since 1972, when he became an owner of a mining equipment supply company. In 1980, he became a major shareholder of a mining contracting company focusing on mine development and in 1995 he formed a company engaged in the business of repair and manufacturing of mining equipment. He was also a founding shareholder of Golden Reign Resources Ltd. (TSX.V-GRR). He serves or has served as a director of several companies including Cambrian Mining Plc (CBM: AIM), Mandalay Resources Corp. (MND: TSX), Coal International Plc, Xtract Energy Plc (XTR: LSE), and Western Canadian Coal Corp.</p>

	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2021</b>	2/2
<b>Margot Naudie</b> <sup>(1)</sup> Ontario, Canada <b>Position with the Company:</b> Director <b>Director Since:</b> 2022 <b>Common Shares Held:</b> Nil.	<b>Principal Occupation:</b>	President of Elephant Capital Inc. and corporate director.
	<b>Biographical Information:</b>	Ms. Margot Naudie is a seasoned 25-year capital markets professional with expertise as Senior Portfolio Manager for North American and global natural resource portfolios. She has held senior roles at leading multi-billion dollar asset management firms including TD Asset Management, Marret Asset Management Inc. and CPP Investment Board. Ms. Naudie is the President of Elephant Capital Inc. as well as Co-Founder of Abaxx Technologies Inc. She sits on a number of public and private company boards. Ms. Naudie holds an MBA from Ivey Business School and a BA from McGill University. She is also a Chartered Financial Analyst.
	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2021</b>	N/A
<b>Sharon Fay</b> <sup>(1)(2)</sup> New York, USA	<b>Principal Occupation:</b>	Chief Responsibility Officer (June 2020 – June 2021) and Head of Equities (2010 – June 2020), AllianceBernstein, and corporate director.

<b>Position with the Company:</b> Director <b>Director Since:</b> 2022 <b>Common Shares Held:</b> 30,000	<b>Biographical Information:</b>	Ms. Sharon Fay is an accomplished leader with over 35 years' experience in the investment industry. For 20 years, she served as a research analyst and portfolio manager for North American, European and, ultimately, global portfolios for AllianceBernstein. She founded the firm's London office, where she served for nine years before returning to the US to become Head of Equities, leading the firm's research analysts, portfolio managers and traders. Before retiring from AllianceBernstein in 2021, she served as the firm's first Head of Responsibility. During her tenure she created a strategy and built the Corporate Responsibility and Responsible Investment teams, propelling the firm as a leader in the field. She is seasoned at evaluating companies' value creation strategies, successfully leading a global business, and attracting, developing and retaining top talent. In addition, Ms. Fay is a Chartered Financial Analyst and has a BA from Brown University and an MBA from Harvard Business School.
	<b>Meeting Attendance Record for the Financial Year Ending December 31, 2021</b>	N/A

- (1) Member of the Audit Committee.
- (2) Member of the Investment Committee.
- (3) Mr. Treger also holds 200,000 Common Share warrants and stock options to purchase 1,354,936 Common Shares. In addition, Kings Chapel holds 6,304,359 Common Shares and 1,698,299 Common Share warrants. Mr. Treger is a beneficiary of a family trust associated with Kings Chapel.
- (4) Mr. Genovese also holds options to purchase 288,229 Common Shares.
- (5) Consists of 5,073,061 Common Shares held by Mr. Conlon, 1,007,910 Common Shares held by 1662287 Ontario Inc. (a company controlled by Mr. Conlon) and 130,909 Common Shares issuable upon the exercise of Common Share warrants held by Mr. Conlon.

To the knowledge of the Company, other than as outlined below, no proposed director of the Company is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was the subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person was acting in the capacity as director, chief executive officer or chief financial officer;
- (c) 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
- (d) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Messrs. Jonker and Conlon were directors of the Company at the time it filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) in November 2013.

## **Appointment and Remuneration of Auditors**

Management of the Company is proposing to appoint PricewaterhouseCoopers LLP as auditors of the Company until the next annual general meeting of shareholders at a remuneration to be fixed by the Board. In 2009, PricewaterhouseCoopers LLP replaced Ernst & Young LLP, Chartered Accountants, who were the auditors for the Company since 2004. Prior to 2004, PricewaterhouseCoopers LLP were auditors for the Company.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP as the auditors of the Company until the next annual general meeting of shareholders and authorizing the Board to fix their remuneration.

## **Approval of Equity Incentive Plan**

Company Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution set forth in Schedule A hereto, approving the adoption of the Company's new omnibus equity incentive plan (the "**Equity Incentive Plan**"). A copy of the Equity Incentive Plan is attached hereto as **Error! Reference source not found.**

## **Summary of Equity Incentive Plan**

### *Purpose*

The purpose of the Equity Incentive Plan is to, among other things: (i) provide the Company with an equity-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company, including its subsidiaries, (ii) reward directors, officers, employees and consultants that have been granted awards under the Equity Incentive Plan for their contributions toward the long-term goals and success of the Company, and (iii) enable and encourage such directors, officers, employees and consultants to hold Common Shares as long-term investments and proprietary interests in the Company.

The Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of options, restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**"), as described in further detail below. The following is a summary of the Equity Incentive Plan, which is qualified in its entirety by the full text of the Equity Incentive Plan.

### *Shares Subject to the Equity Incentive Plan*

The Equity Incentive Plan is a "rolling" plan in that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), it provides that the aggregate maximum number of Common Shares that may be reserved for issuance under the Equity Incentive Plan, at any time, shall not exceed ten (10%) percent of the Company's issued and outstanding Common Shares as at such time, inclusive of the shares reserved for issuance under the Existing Option Plan (as defined below) (the "**Reserved Shares**").

Following the Closing, all future awards will be issued pursuant to and governed by the Equity Incentive Plan and no future awards will be issued pursuant to or governed by the terms of the Existing Option Plan.

To the extent any awards under the Equity Incentive Plan or the Existing Option Plan are terminated or cancelled for any reason prior to exercise in full, the Common Shares subject to such awards (or any portion(s) thereof) shall be added back to the number of Common Shares reserved for issuance under the New Equity Incentive Plan.

### *Insider Participation Limit*

The Equity Incentive Plan provides that the aggregate number of Common Shares (a) issuable to Insiders at any time (under all of the Company's security-based compensation arrangements, including the Existing Option Plan) cannot exceed ten (10%) percent of the Company's issued and outstanding Common Shares, and (b) issued to Insiders within

any one-year period (under all of the Company's security-based compensation arrangements, including under the Existing Option Plan) cannot exceed ten (10%) percent of the Company's issued and outstanding Common Shares.

Additionally, for so long as the Common Shares are listed and posted for trading on the TSX Venture Exchange (the "TSXV"), (a) not more than two (2%) percent of the Company's issued and outstanding Common Shares may be granted to any one consultant in any 12 month period, (b) investor relations service providers may not receive any awards other than options, (c) not more than an aggregate of two (2%) percent the Company's issued and outstanding Common Shares may be granted in aggregate pursuant to options to investor relations service providers in any 12 month period, (d) unless the Company has obtained disinterested shareholder approval, not more than five (5%) percent of the Company's issued and outstanding Common Shares may be issued to any one Person in any 12 month period and (e) unless the Company has obtained disinterested shareholder approval, the Company shall not decrease the exercise price or extend the term of options previously granted to Insiders.

Except for so long as the Shares are listed and posted for trading on the TSXV, any Common Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the Equity Incentive Plan.

#### *Administration of the Equity Incentive Plan*

The Plan Administrator (as defined in the Equity Incentive Plan) is determined by the Company's board of directors (the "Board"). The Equity Incentive Plan may in the future be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt administrative rules, regulations, procedures and guidelines governing the Equity Incentive Plan or any awards granted under the Equity Incentive Plan as it deems appropriate.

#### *Eligibility*

All directors, officers, consultants and employees are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the discretion of the Plan Administrator.

#### *Types of Awards*

Awards of options, RSUs, PSUs and DSUs may be made under the Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

#### Options

An option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each option is granted, which exercise price must in all cases be not less than the Discounted Market Price (as defined in TSXV Policy 1.1) for so long as the Common Shares are listed and posted for trading on the TSXV. Subject to any accelerated termination as set forth

in the Equity Incentive Plan, each option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of options, subject to the restrictions in the Equity Incentive Plan relating to options granted to investor relations service providers. Once an option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Plan Administrator has the right to accelerate the date upon which any option becomes exercisable. The Plan Administrator may provide at the time of granting an option that the exercise of that option is subject to restrictions, in addition to those specified in the Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. To the extent permitted by and otherwise subject to the rules and policies of the TSXV, a participant may, in lieu of exercising an option pursuant to an exercise notice, elect to surrender such option to the Company (a “**Cashless Exercise**”) in consideration for an amount from the Company equal to (i) the Market Price (as defined in the Equity Incentive Plan) of the Common Shares issuable on the exercise of such option (or portion thereof) as of the date such option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Company indicating the number of options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the Equity Incentive Plan, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having an aggregate fair market value (based on the Market Price on the date of exercise) equal to the In-the-Money Amount. Any options surrendered in connection with a Cashless Exercise will not be added back to the number of Common Shares reserved for issuance under the Equity Incentive Plan.

#### Restricted Share Units

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs (including the elected amount, as applicable), as determined by the Plan Administrator, by (b) the greater of (i) the Discounted Market Price of a Common Share on the date of grant, or and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the United States Internal Revenue Code of 1986 (as amended, the “**Code**”), to the extent applicable.

Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

#### Performance Share Units

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of



any PSUs granted, the termination of a participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "PSU Service Year").

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

#### Deferred Share Units

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer) paid by the Company to a director in a calendar year for service on the Board (the "Director Fees") that are to be payable in the form of DSUs. In addition, each director is given, subject to the provisions of the Equity Incentive Plan, the right to elect to receive a portion of the cash Director Fees owing to them in the form of DSUs.

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that, for so long as the Common Shares are listed and posted for trading on the TSXV, no DSUs may vest before the date that is one year following the Date of Grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any director fees that are paid in DSUs, by (b) the Market Price of a Common Share on the date of grant. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested DSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Plan Administrator in its sole discretion. Any cash payments made under the Equity Incentive Plan by the Company to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date.

#### *Dividend Equivalents*

Unless otherwise determined by the Plan Administrator, awards of RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per CoTec Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places. For clarity, any dividend equivalents granted shall be included in calculating the limits prescribed by the Equity Incentive Plan. If the Company does not have a sufficient number of available Common Shares under the Equity Incentive Plan to grant such dividend equivalents, the Company shall make such dividend payment in cash.

#### *Black-out Periods*

If an award expires during a routine or special trading Blackout Period (as defined in the Equity Incentive Plan), then, notwithstanding any other provision of the Equity Incentive Plan, unless the delayed expiration would result in negative tax consequences to the holder of the award, the award shall expire five business days after the Blackout Period is lifted

by the Company; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information (as defined in the Equity Incentive Plan), and (ii) the automatic extension of an award will not be permitted where the participant or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company’s securities.

*Term*

While the Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, other than the options, which are subject to a maximum term of 10 years from the date of grant, subject to certain adjustments, as discussed below, shareholder approval is required to permit an option award to be exercisable beyond 10 years from its date of grant, except where an expiry date would have fallen within a Blackout Period of the Company. All awards must vest and settle in accordance with the provisions of the Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

*Termination of Employment or Services*

The following table describes the impact of certain events upon the participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant’s applicable employment agreement, consulting agreement, award agreement or other written agreement and subject to applicable employment standards legislation or regulations applicable to the participant’s employment or other engagement with the Company or any of its subsidiaries:

Event	Provisions
Termination for Cause  Resignation  Termination without Cause	<ul style="list-style-type: none"> <li>• Any unvested awards held that have not been exercised, settled or surrendered as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> <li>• Any vested awards may, subject to the terms of the Equity Incentive Plan be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> </ul>
Disability	<ul style="list-style-type: none"> <li>• Any award held by the participant that has not vested as of the date of the Disability (as defined in the Equity Incentive Plan) of such participant shall vest on such date and may, subject to the terms of the Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time until the expiration date of such award, provided that: (i) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance (as defined in the Equity Incentive Plan); and (ii) any awards subject to section 409A of the Code awarded to U.S. Taxpayers (as defined in the Equity Incentive Plan) shall be exercised, settled or surrendered within the same calendar year as the participant’s “separation from service”. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> </ul>
Death	<ul style="list-style-type: none"> <li>• Any award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may, subject to the terms of the Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the first</li> </ul>

Event	Provisions
	<p>anniversary of the date of the death of such participant, provided that (i) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the date of death of such participant, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance; and (ii) any awards subject to section 409A of the Code awarded to U.S. Taxpayers shall be exercised, settled or surrendered within the same calendar year as the participant's death. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</p>
Retirement	<ul style="list-style-type: none"> <li>• Any award held by the participant that has not vested as of the date of Retirement (as defined in the Equity Incentive Plan) shall continue to vest in accordance with its terms and, if any such awards vest, shall be exercised, settled or surrendered by the Company to the participant provided that (a) with respect to any PSUs held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance, (b) any awards subject to section 409A of the Code awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the participant's "separation from service"; and (c) for so long as the Shares are listed and posted for trading on the TSXV, any such award shall expire within a reasonable period, not exceeding twelve (12) months from the Termination Date, following which the participant shall not be entitled to any damages or other amounts in respect of such expired awards.</li> <li>• Notwithstanding the foregoing, if, following his or her Retirement, the participant breaches the terms of any restrictive covenant in the participant's written or other applicable employment or other agreement with the Company or a subsidiary of the Company, any award held by the participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.</li> </ul>

The Plan Administrator may, in its discretion, at any time prior to, or following the events listed above, or in an employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and an individual receiving an award under the Equity Incentive Plan, permit the acceleration or vesting of any or all awards or waive termination of any or all awards, all in the manner and on the terms as may be authorized by the Plan Administrator; provided that, for so long as the Common Shares are listed and posted for trading on the TSXV, (a) no acceleration of the vesting of options granted to investor relations service providers is permitted without prior TSXV acceptance; and (b) no awards (other than options) may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to TSXV policies.

#### *Change in Control*

Subject to certain rules and restrictions of the TSXV, under the Equity Incentive Plan, except as may be set forth in an employment agreement, consulting agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- If within 12 months following the completion of a transaction resulting in a Change in Control (as defined in the New Equity Incentive Plan), a participant's employment, consultancy or directorship is terminated without Cause (as defined in the Equity Incentive Plan) or the participant resigns with Good Reason (as defined in the Equity Incentive Plan):
  - a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction, the numerator of which is the number of days between the date of grant and the Termination Date and

the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, which vested awards may be exercised, settled or surrendered to the Company by such participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, provided that (1) with respect to any PSU held by such participant, the attainment of performance goals shall be assessed on the basis of actual achievement of the performance goals up to the Termination Date, if the applicable performance period has been completed and the Company can determine if the performance goals have been attained, failing which the Company will assume Target Performance, and (2) any awards subject to section 409A of the Code awarded to U.S. Taxpayers, shall, if such awards vest, be exercised, settled or surrendered within the same calendar year as the participant's "separation from service", with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards; and

- any vested awards may, subject to the terms of the New Equity Incentive Plan, be exercised, settled or surrendered to the Company by the participant at any time during the period that terminates on the earlier of: (A) the expiration date of such award; and (B) the date that is 90 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the participant shall not be entitled to any damages or other amounts in respect of such cancelled awards.
- Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the TSXV or any other exchange, the Company may terminate all of the awards, other than an option held by a Canadian Taxpayer (as defined in the Equity Incentive Plan) for the purposes of the Tax Act, granted under the Equity Incentive Plan at the time of, and subject to the completion of, the Change in Control transaction by paying to each holder an amount equal to the fair market value of his or her respective award (as determined by the Plan Administrator, acting reasonably) at or within a reasonable period of time following completion of such Change in Control transaction.

#### *Non-Transferability of Awards*

Except as permitted by the Plan Administrator, and to the extent that certain rights may pass to a beneficiary or legal representative upon the death of a participant by will or as required by law, no assignment or transfer of awards granted under the Equity Incentive Plan, whether voluntary, involuntary, by operation of law or otherwise, is permitted.

#### *Amendments to the Equity Incentive Plan*

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting shares, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code, as amended, shall be null and void *ab initio*.

Notwithstanding the above, and subject to the rules of the TSXV, the approval of shareholders is required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the percentage of the Company's issued and outstanding Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

- (b) increasing or removing the 10% limits on Common Shares issuable or issued to Insiders;
- (c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) extending the term of an option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within five business days following the expiry of such a blackout period);
- (e) permitting an option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person;
- (h) changing the eligible participants;
- (i) pertaining to a matter expressly subject to approval of the shareholders pursuant to the applicable rules of the Exchange; and
- (j) deleting or otherwise limiting the amendments which require approval of the shareholders.

Except for the items listed above, amendments to the Equity Incentive Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) adding covenants of the Company for the protection of the participants, (c) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (d) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

#### *Anti-Hedging Policy*

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

Accordingly, at the Meeting the Shareholders will be asked to vote on, and the Board believing it to be in the best interests of the Company, recommend that the shareholders approve the following resolution, with or without variation:

The affirmative vote of a majority of the votes cast in respect thereof is required in order to pass such resolution.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the foregoing resolution approving the Equity Incentive Plan.

**Management of CoTec recommends that Shareholders vote in favor of the resolutions set out in Schedule A to approve the Equity Incentive Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the resolutions approving the Equity Incentive Plan.**

#### **Other Business**

The Company knows of no matter to come before the annual meeting of shareholders other than the matters referred to in the Notice of Meeting.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The Company does not have in place any formal objectives, criteria or analysis for determining or assessing the compensation of its executive officers and directors, nor does it have a compensation committee.

All compensation matters relating to officers or directors are currently dealt with by the Board.

### Elements of Director and Named Executive Officer Compensation

During the financial year ended December 31, 2021, the Company's only Named Executive Officers (as defined in Form 51-102F6V) ("NEOs") were Hendrik Dietrichsen (Chief Executive Officer and Corporate Secretary) and Damien Forer (Chief Financial Officer). Neither of the NEOs received compensation from the Company during the financial year ended December 31, 2021.

In connection with the completion of the Company's "change of business" transaction, Messrs. Dietrichsen and Forer resigned from their offices with the Company on April 19, 2022 and were replaced by Julian Treger (Chief Executive Officer) and Abraham Jonker (Chief Financial Officer and Corporate Secretary).

Except for stock options granted under the Existing Option Plan (as indicated below under "Stock Options and Other Compensation Securities"), none of the directors of the Company received any compensation from the Company during the financial year ended December 31, 2021.

### Compensation Risk

The Board and its committees, as applicable, have not proceeded to an evaluation of the implications of the risks associated with the Company's compensation policies and practices.

### Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy to prohibit NEOs and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or Director.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted to each director of the Company during the most recently completed financial year. No compensation securities were granted to any NEO during the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Julian Treger</b> Chief Executive Officer, Director	Options	1,152,916	September 24, 2021	0.30	0.35	0.64	September 24, 2031
<b>Raffaele (Lucio) Genovese</b> Director	Options	288,229	October 22, 2021	0.45	0.45	0.64	October 8, 2031

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

No compensation securities were exercised by directors or NEOs during the most recently completed financial year.

#### Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following or in connection with retirement.

#### Termination and Change of Control Benefits

Other than the Existing Option Plan (as defined below), there were no employment contracts during the financial year ended December 31, 2021, between the Company and any NEO, and no compensatory plans, contracts or arrangements that provide for payments to the NEO's at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEO's responsibilities.

#### EQUITY COMPENSATION PLAN INFORMATION

As at the end of the most recently completed financial year, the following compensation plans of the Company were in place under which equity securities of the Company were authorized for issuance other than the Existing Option Plan (as defined below).

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (C\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	1,441,145	0.33	2,407,786
Equity compensation plans not approved by securityholders	Nil	Nil	Nil

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (C\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<b>Total</b>	1,441,145	0.33	2,407,786

### Key Terms of the Option Plan

The following is a summary of the key terms of the rolling stock option plan (the “**Existing Option Plan**”), which was approved by Shareholders at the Company’s annual and special Meeting held on September 20, 2021. This summary is qualified in its entirety by the full text of the Existing Option Plan.

The purpose of the Existing Option Plan is to allow the Company to grant options to directors, senior officers, employees, management company employees and consultants of the Company and its subsidiaries (collectively, “**Eligible Persons**”) as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of Eligible Persons with that of the shareholders.

The number of Common Shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of Common Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Under TSXV policies, all such rolling stock options plans which set the number of Common Shares issuable under the Plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Options issued under the Existing Option Plan are exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Common Shares prevailing on the day that the option is granted less an applicable discount, if any, permitted by the policies of the TSXV and approved by the Board. The Existing Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Existing Option Plan provides that if a change of control, as defined therein, occurs, all Common Shares issuable subject to options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The Existing Option Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options, and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

The Existing Option Plan also contains a black-out provision. In accordance with good governance practices and as recommended by National Policy 51-201 – Disclosure Standards, the Company may impose black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding options are not prejudiced by the imposition of such black-out periods, any outstanding options with an expiry date occurring during a management imposed black-out period or within five days thereafter will automatically be extended to a date that is 10 trading days following the end of the black-out period.

The Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder.



## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Company has been indebted to the Company or any of its subsidiaries during the financial year ended December 31, 2021 or the current financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out herein or in the Company's filing statement dated April 6, 2022 (a copy of which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com)), no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On June 29, 2022 and September 6, 2022 the Company entered into unsecured loan agreements with Kings Chapel International Ltd. ("**Kings Chapel**"), a company associated with Mr. Treger, for amounts of GBP500,000, or approximately \$781,000 and GBP250,000 or approximately \$380,000, respectively (the "**Kings Chapel Loans**"). The purpose of the Kings Chapel Loans was to fund the Company's investment in Makango Resources Limited. The Kings Chapel Loans bear interest of 5% per year compounded annually and shall be due and payable on the maturity dates, June 29, 2024 and September 6, 2022, respectively. Mr. Treger recused himself from the decisions made in relation to the Kings Chapel Loans.

## CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") require that each reporting issuer annually disclose its corporate governance system with reference to the Guidelines or NI 58-101. The Company has reviewed its own corporate governance practices in light of these Guidelines. Generally, the Company's practices comply with the Guidelines, however, the Board considers that some of the Guidelines are not suitable for the Company at its current stage of development. The Board is committed to sound corporate governance practices in the interest of its shareholders and to effective and efficient decision making. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses.

The following is a summary of the Company's approach to corporate governance with reference to NI 58-101 and the Guidelines.

### **Independence of Members of Board**

The Guidelines recommend that a majority of directors of a listed corporation be "independent" as defined by National Instrument 52-110 ("**NI 52-110**"). Five out of six of the directors of the current and proposed Board are independent. Julian Treger is not independent because he is the Chief Executive Officer of the Company.

### **Term Limits**

The Company does not have a mandatory retirement policy or term limit policy for members of the Board and rather assesses board succession as part of its annual board and committee assessments. The Company considers it important to retain directors with significant and unique business experience in the industry and believes that directors who hold significant investments in the Company are strongly motivated to engage in independent thinking and analysis and bring a long-term perspective which is beneficial to the Company and all of its shareholders.

### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. Any director may submit items for inclusion in the agenda of matters to be discussed at meetings of the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing the operations of the

Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the Company’s audit committee (the “**Audit Committee**”), which is comprised by a majority of independent directors. Moreover, the independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

### **CEO Position Description**

The CEO does not have a written position description. The Board expects the CEO and his management team to be responsible for management of the Company's strategic and operational agenda and for the execution of the decisions of the Board. The Board expects to be advised on a regular basis as to the results being achieved, and to be presented for approval, alternative plans and strategies, in keeping with evolving business conditions. In addition to those matters which by law must be approved by the Board, the prior approval of the Board, or of a committee of the Board to which approval authority has been delegated by the Board, is required for all actions proposed to be taken by the Company which are not in the ordinary course of its operations. In particular, the Board approves the appointment of all executive officers of the Company and approves all material transactions that are not in the ordinary course of business.

### **Directorships**

Certain of the directors are presently directors of one or more other reporting issuers as follows:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer(s)</b>
Raffaele (Lucio) Genovese	Ferrexpo plc and Nevada Copper Corp.
Tom Albanese	Franco Nevada and Nevada Copper Corp.
Margot Naudie	Abaxx Technologies Inc., Amerigo Resources Ltd., Base Carbon Corp., BTU Metals Corporation and Osino Resources

### **Orientation and Continuing Education**

At present, the Board does not provide an official orientation or training program to its new directors. Members of the Board have had solid experience in the industry as well as experience in acting as a director of public or private companies, or both. New Board members are provided with information respecting the functioning of the Board, committees and copies of the Company’s corporate governance policies, access to all of the publicly filed documents of the Company and complete access to management and the Company’s professional advisors.

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments and changes in legislation with the Company’s assistance, to attend industry seminars and to visit the Company’s operations. The Company’s legal counsel are also made available to the directors to assist them in better understanding what their legal responsibilities are.

### **Ethical Business Conduct**

The Company has adopted a Code of Business Conduct and Ethics for directors, managers, officers and employees. The Company requires the highest standards of professional and ethical conduct from its directors, managers, officers and employees and believes that its reputation for honesty and integrity among its stakeholders is key to the success of its business. In that regard, to create a culture of honesty, integrity and accountability, informal discussion is had amongst the Board, management and employees respecting such matters as, the retention of confidential information, insider trading rules, the obligation to declare conflicts of interests, the exercise of fair dealings with suppliers and other third parties and the necessity to comply with applicable laws, regulations and rules. The management of the Company is responsible for ensuring that the provisions of the Code of Business Conduct and Ethics are complied with.

## **Nomination of Directors**

The Board has responsibility for identifying and assessing potential Board candidates. Recruitment of new directors has generally resulted from recommendations made by directors, management and shareholders. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

## **Compensation of Directors and NEOs**

The directors decide as a Board the compensation for the Company's directors and NEOs on an annual basis. Compensation payable is determined by considering compensation paid for directors and NEOs of companies of similar size and stage of development and determining an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and NEOs while taking into account the financial and other resources of the Company. In setting the compensation, the performance of each NEO is reviewed in light of the Company's objectives and other factors that may have impacted the success of the Company.

## **Board Committees**

### *Audit Committee*

The Audit Committee is comprised of Raffaele (Lucio) Genovese (Chair), Sharon Fay and Margot Naudie, all of whom are financially literate and independent directors.

Mr. Genovese is a Chartered Accountant, with a B.Comm and B.Acc from the University of Witwatersrand, Johannesburg (South Africa), and has over 30 years of experience in both the merchant and financial sector of the metals and mining industry. Mr. Genovese is currently the CEO of Nage Capital Management in Baar, Switzerland. He is also the Chairman of Ferrexpo plc and a member of the board of directors of Nevada Copper Corp. He was previously employed at Glencore International AG where he held several senior positions including CEO of the CIS region and manager of the Moscow office.

Ms. Fay is a Chartered Financial Analyst and has a BA from Brown University and an MBA from Harvard Business School. She is an accomplished leader with over 35 years' experience in the investment industry. For 20 years, she served as a research analyst and portfolio manager for North American, European and, ultimately, global portfolios for AllianceBernstein. She founded the firm's London office, where she served for nine years before returning to the US to become Head of Equities, leading the firm's research analysts, portfolio managers and traders. Before retiring from AllianceBernstein in 2021, she served as the firm's first Head of Responsibility. During her tenure she created a strategy and built the Corporate Responsibility and Responsible Investment teams, propelling the firm as a leader in the field. She is seasoned at evaluating companies' value creation strategies, successfully leading a global business, and attracting, developing and retaining top talent.

Ms. Naudie is a Chartered Financial Analyst with over 25 years of experience in the capital markets, working as a Senior Portfolio Manager for North American and global natural resource portfolios. She has held senior roles at leading multi-billion dollar asset management firms including TD Asset Management, Marret Asset Management Inc. and CPP Investment Board. Ms. Naudie is the President of Elephant Capital Inc. as well as Co-Founder of Abaxx Technologies Inc. She sits on a number of public and private company boards and holds an MBA from Ivey Business School and a BA from McGill University.

The Audit Committee oversees the accounting and financial reporting practices and procedures of CoTec, and the audits of CoTec's financial statements. The Audit Committee assists the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. The Audit Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements, (ii) review and appraise the performance of the Company's external auditors, and (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

### *Investment Committee*

The Investment Committee is comprised of Julian Treger (Chair), Raffaele (Lucio) Genovese, Tom Albanese and Sharon Fay.

The Investment Committee is responsible for evaluating all potential investment opportunities. In assessing potential investments, the Investment Committee will consider whether or not such investments fit the investment and corporate objectives of the Company in accordance with the investment evaluation process and the Company's investment policies generally. The investment evaluation process may also require the Investment Committee to conduct preliminary due diligence after which a report of their findings will be presented to the Board for consideration.

The Investment Committee also monitors the Company's investment portfolio on an ongoing basis, reviews the status of the Company's investments and provides recommendations to the Board from time to time. The Investment Committee conducts quarterly reviews of the Company's investment portfolio in order to assess performance and market conditions.

### **Assessments**

The Board as a whole helps to assess the performance of the Board, its committees, and its individual directors. Due to the Company's stage of development and the limited number of individuals on the Board, the Board has not implemented a formal process for assessing effectiveness at this time. The Board plans to continue evaluations on an *ad hoc* basis, including monitoring the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

### **Policies Regarding the Representation of Women**

The Board has not adopted any written policy relating to the identification and nomination of women directors or officers. Similarly, the Board has not adopted a target regarding women on the Board or in executive officer positions of the Company. Given the size of the Company, the Board has determined that it is not currently necessary or practicable to implement a policy concerning diversity or to establish measurable objectives for achieving gender diversity. The Board will consider and review matters relating to diversity, including whether it is necessary to establish formal policies and objectives as the Company matures. As at the date hereof, two of the members of the Board are women and none of the executive officers of the Company is a woman.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.cotec.ca](http://www.cotec.ca). Shareholders may contact the Company to request copies of the Company's financial statements and Management Discussion and Analysis for the financial year ending December 31, 2021, and any documents incorporated by reference herein without charge by email at [braam.jonker@cotec.ca](mailto:braam.jonker@cotec.ca). Financial information regarding the Company is provided in the Company's comparative financial statements and the related Management's Discussion and Analysis for its most recently completed financial year.

## **APPROVAL OF DIRECTORS**

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

DATED at Vancouver, British Columbia as at the 23<sup>rd</sup> day of September, 2022.

By Order of the Board of Directors

*"Raffaele (Lucio) Genovese"*

\_\_\_\_\_  
Raffaele (Lucio) Genovese

Chair

**SCHEDULE A  
RESOLUTIONS**

**BE IT RESOLVED THAT:**

1. The omnibus equity incentive plan (the “**New Plan**”) of CoTec Holdings Corp. (the “**Company**”) as approved by the Company’s board of directors on September 23, 2022, and attached as **Error! Reference source not found.** to the Management Information Circular of the Company dated September 23, 2022 (the “**Circular**”), be and hereby is ratified, approved and authorized.
2. The aggregate number of common shares reserved and available for grant and issuance pursuant to awards under the New Plan, together with any other share based compensation arrangement and subject to the terms of the New Plan, shall not exceed 10% of the issued and outstanding common shares of the Company from time to time.
3. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**SCHEDULE B**  
**EQUITY INCENTIVE PLAN**

**COTEC HOLDINGS CORP.**

**OMNIBUS EQUITY INCENTIVE PLAN**  
**September 23, 2022**

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**CoTec Holdings Corp.**  
**Omnibus Equity Incentive Plan**

**ARTICLE 1**  
**PURPOSE**

**1.1 Purpose**

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

**ARTICLE 2**  
**INTERPRETATION**

**2.1 Definitions**

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

“**Affiliate**” means any entity that is an “affiliate” for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time;

“**Associate**” has the meaning set forth in the *Securities Act* (British Columbia);

“**Award**” means any Option, RSU, PSU or DSU granted under this Plan which may be denominated or settled in Shares or cash;

“**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan (including written or other applicable employment agreements) and which need not be identical to any other such agreements;

“**Blackout Period**” means a period during which the Corporation restricts trades in the securities of the Corporation for any reason from time to time, including pursuant to the Corporation’s insider trading policy;

“**Board**” means the board of directors of the Corporation as it may be constituted from time to time;

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

“**Canadian Taxpayer**” means a Participant that is resident of Canada for purposes of the Tax Act;

“**Cash Fees**” has the meaning set forth in Subsection 7.1(a);

“**Cashless Exercise**” has the meaning set forth in Subsection 4.6(b);

“**Cause**” means, with respect to a particular Participant:

- (a) “cause” (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
- (c) in the event neither (a) nor (b) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may terminate an individual’s employment without notice or pay in lieu thereof or other damages, or (ii) the Corporation or any subsidiary thereof may terminate the Participant’s contract without notice or without pay in lieu thereof or other termination fee or damages, except, in each case, to the extent required under ESL, and provided that the failure by a Participant to meet performance targets or similar measures shall not, in and of itself, constitute cause for purposes of such termination of employment or contract;

“**Change in Control**” means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert (other than the Corporation or a subsidiary of the Corporation) hereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Securities Act* (British Columbia)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the total voting power represented by the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;
- (c) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;
- (d) the occurrence of a transaction requiring approval of the Corporation’s shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation); or

- (e) individuals who comprise the Board as of the meeting of the shareholders at which this Plan was first considered and approved by the shareholders of the Corporation (the “**Incumbent Board**”) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation’s shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board,

provided that, notwithstanding clauses (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clauses (a), (b), (c) or (d) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (b) above) (the “**Surviving Entity**”) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (“**voting power**”) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the “**Parent Entity**”) that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a “**Non-Qualifying Transaction**” and, following the Non-Qualifying Transaction, references in this definition of “Change in Control” to the “Corporation” shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the “Board” shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code;

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;

“**Committee**” has the meaning set forth in Section 3.2(b);

“**Compensation Committee**” means the Compensation Committee of the Board and any replacement or successor committee of the Board that is responsible for compensation matters, or the Board if there is no such committee;

“**Consultant**” has the meaning set forth in Policy 4.4;

“**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and

the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

“**Corporation**” means CoTec Holdings Corp., a corporation duly incorporated under the laws of British Columbia, and its Affiliates, if any, and includes any successor or assignee entity or entities into which the Corporation may be merged, changed, or consolidated; any entity for whose securities the securities of the Corporation shall be exchanged; and any assignee of or successor to substantially all of the assets of the Corporation;

“**Date of Grant**” means, for any Award, the future date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

“**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 7;

“**Director**” means a director of the Corporation or a subsidiary of the Corporation who is not an Employee;

“**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

“**Disabled**” or “**Disability**” means, with respect to a particular Participant:

- (a) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease

(as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period and is expected to continue, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

“**Discounted Market Price**” has the meaning set forth in Policy 1.1;

“**Effective Date**” means the effective date of this Plan, being September 23, 2022;

“**Elected Amount**” has the meaning set forth in Subsection 7.1(a);

“**Electing Person**” means a Participant who is, on the applicable Election Date, a Director;

“**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(a);

“**Election Notice**” has the meaning set forth in Subsection 7.1(a);

“**Employee**” has the meaning set forth in Policy 4.4;

“**ESL**” means the employment standards legislation, as amended or replaced, applicable to a Participant who is an Employee or Officer;

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

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

“**Exercise Price**” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

“**Expiry Date**” means, in respect of Options, the expiry date specified in the Award Agreement for an Option (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

“**Good Reason**” means, with respect to a particular Participant:

- (a) “good reason” (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “good reason” is not defined in such agreement, “good reason” as such term is defined in the Award Agreement; or

- (c) in the event neither (a) or (b) apply, the occurrence of any one or more of the following events without the Participant's prior written consent, which, if capable of being cured, remains uncured by the Corporation within 30 days following receipt of written notice from the Participant specifying in reasonable detail the nature of such occurrence, which notice shall be provided by the Participant no later than 90 days after the occurrence of such event giving rise to the right to resign for Good Reason:
- (i) there is a material diminution in the Participant's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, excluding for this purpose any isolated, insubstantial or inadvertent actions not taken in bad faith and which are remedied by the Participant's Employer promptly after receipt of notice thereof given by the Participant;
  - (ii) the Participant's Employer's material reduction of the Participant's base salary, as the same may be increased from time to time, or the percentage on which any short-term incentive payment is based, as such terms are defined in the Participant's employment agreement, other than any across the board reduction of 10% or less which may be implemented by such employer in respect of its senior employees from time to time;
  - (iii) the Participant's Employer's material reduction or elimination of benefits granted to the Participant in his or her employment agreement or granted to the Participant during his or her employment, save and except any change or elimination of any benefits due to a change in the benefit plan or provider, provided that the new benefits are substantially similar in the aggregate to the current benefits;
  - (iv) a material change in the geographic location of the principal location of employment of the Participant, which shall, in any event, include only a relocation of such principal location by more than one hundred (100) kilometers from its existing location; or
  - (v) the Participant's Employer's material breach of the employment agreement between the Participant's Employer and the Participant.

In order for a resignation to qualify as a resignation for "Good Reason" hereunder, the Participant must resign for such event no later than 90 days after the Corporation's cure period has expired. For greater certainty, "Good Reason" shall not include year-over-year variations in the amount of, or percentage entitlement to, if any, Awards awarded to the Participant based on the Corporation's and the Compensation Committee's determination of achievement. In addition, "Good Reason" shall not include any change in title or reporting other than a change which would generally be considered to constitute a demotion by the Participant's peers in the industry and "Good Reason" shall not include any change in the Participant's duties and responsibilities provided that such changes do not result in a diminution of the scope or dignity of the Participant's overall duties and responsibilities;

**"In-the-Money Amount"** has the meaning given to it in Subsection 4.6(b);

**"Insider"** means an "insider" as defined in the rules of the Exchange from time to time;



“**Investor Relations Service Provider**” has the meaning ascribed to such term in Policy 4.4;

“**ISOs**” has the meaning set forth in Section 11.1;

“**Market Price**” at any date in respect of the Shares shall be the volume weighted average trading price of the Shares on the Exchange, for the five (5) trading days immediately preceding the Date of Grant (or, if such Shares are not then listed and posted for trading on the Exchange, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board); provided that, for so long as the Shares are listed and posted for trading on the TSXV, the Market Price shall not be less than the Market Price as defined in Policy 1.1; and provided, further, that with respect to an Option granted to a U.S. Taxpayer, such Participant and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five (5) trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

“**Material Information**” has the meaning set forth in Policy 1.1;

“**Officer**” means an Employee who is considered by the Corporation as an officer of the Corporation or a subsidiary of the Corporation;

“**Option**” means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

“**Option Shares**” means Shares issuable by the Corporation upon the exercise of outstanding Options;

“**Participant**” means a Director, Officer, Employee or Consultant to whom an Award has been granted under this Plan;

“**Participant’s Employer**” means with respect to a Participant that is or was an Employee, the Corporation or such subsidiary of the Corporation as is or, if the Participant has ceased to be employed by the Corporation or such subsidiary of the Corporation, was the Participant’s Employer;

“**Performance Goals**” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

“**Performance Share Unit**” or “**PSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

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

“**Plan**” means this Omnibus Equity Incentive Plan, as may be amended from time to time;

“**Plan Administrator**” means a Person determined by the Board, which will initially be the Compensation Committee, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**Policy 1.1**” means the TSXV’s Policy 1.1 entitled “Interpretation” as amended from time to time;

“**Policy 4.4**” means the TSXV’s Policy 4.4 entitled “Security Based Compensation” as amended from time to time;

“**PSU Service Year**” has the meaning set forth in Section 6.1;

“**Restricted Share Unit**” or “**RSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;

“**Retirement**” means, with respect to a particular Participant:

- (a) “retirement” (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “retirement” is not defined in such agreement, “retirement” as such term is defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, the voluntary cessation of a Participant’s employment with the Corporation, provided that, as at the Termination Date (i) the Participant’s age is at least sixty-five (65) and the Participant has at least ten years of service with the Corporation or a subsidiary of the Corporation, (ii) the Participant is not receiving or otherwise entitled to compensation in lieu of notice of termination, severance or similar payments, and (iii) the Participant has agreed in writing not to work for a competitor of the Corporation for a period of at least two (2) years following the Termination Date;

“**RSU Service Year**” has the meaning set forth in Section 5.1;

“**Section 409A of the Code**” or “**Section 409A**” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“**Security Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, but does not include the Corporation’s Stock Option Plan approved by the Corporation’s shareholders at the Corporation’s annual and special meeting held on September 20, 2021;

“**Separation from Service**” has the meaning ascribed to it under Section 409A of the Code;]

“**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date, or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, or after an adjustment contemplated by Article 10, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“**subsidiary**” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;

“**Target Performance**” has the meaning given to it in Section 6.3;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Termination Date**” means, subject to applicable law which cannot be waived:

- (a) in the case of an Employee or Officer whose employment with the Corporation or a subsidiary of the Corporation terminates (regardless of whether the termination is lawful or unlawful, with or without Cause, and whether it is the Participant or the Corporation or a subsidiary of the Corporation that initiates the termination), the later of: (i) if and only to the extent required to comply with the minimum standards of ESL, the date that is the last day of any applicable minimum statutory notice period applicable to the Employee or Officer pursuant to ESL, if any; and (ii) the date designated by the Employee or Officer and such Participant’s Employer as at the last day of such Employee’s or Officer’s employment, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and, for the avoidance of any doubt, the parties intend to displace the presumption that the Participant has any entitlements in respect of the Plan or any Options, RSUs, PSUs or DSUs during any period of reasonable notice of termination under common law or civil law in the case of either (i) or (ii), without regard to any applicable period of reasonable notice or contractual notice to which the Participant may claim to be entitled under common law, civil law or pursuant to contract in respect of a period that follows the last day that the Participant actually and actively provides services to the Corporation or a subsidiary of the Corporation, as specified in the notice of termination provided by the Employee or Officer or the Participant’s Employer, as the case may be;

- (b) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant;
- (c) in the case of a Director, the date such individual ceases to be a Director, unless the individual continues to be a Participant in another capacity; and
- (d) in the case of a U.S. Taxpayer, a Participant’s “**Termination Date**” will be the date the Participant experiences a Separation from Service;

“**TSXV**” means the TSX Venture Exchange;

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

“**U.S. Award Holder**” means any holder of an Award who is a “U.S. person” (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or who is holding or exercising Awards in the United States;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder; and

“**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws.]

## **2.2 Interpretation**

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

### **ARTICLE 3 ADMINISTRATION**

#### **3.1 Administration**

Subject to the terms herein, this Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants of Awards under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, RSUs, PSUs or DSUs) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
  - (i) the time or times at which Awards may be granted;
  - (ii) the conditions under which:
    - (A) Awards may be granted to Participants; or
    - (B) Awards may be forfeited to the Corporation,including any conditions relating to the attainment of specified Performance Goals;
  - (iii) the number of Shares to be covered by any Award;
  - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
  - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
  - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;

- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

### **3.2 Delegation to Committee**

- (a) The initial Plan Administrator shall be the Compensation Committee.
- (b) To the extent permitted by applicable law, the Board may, from time to time, assume or delegate to any committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

### **3.3 Determinations Binding**

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation and its subsidiaries, the affected Participant(s), their legal and personal representatives and all other Persons.

### **3.4 Eligibility**

All Directors, Officers, Employees and Consultants are eligible to participate in the Plan, subject to Section 9.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Officer, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Officer, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Plan Administrator. The Corporation and the Participant shall be responsible for ensuring and confirming that the Participant is a bona fide Director, Officer, Employee or Consultant, as the case may be.

### **3.5 Plan Administrator Requirements**

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any

jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

### **3.6 Total Shares Subject to Awards**

- (a) The aggregate number of Shares that may be reserved for issuance under this Plan, at any time, shall not exceed ten (10%) percent of the Corporation's issued and outstanding Shares as at such time.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered to the Corporation by the Participant, except surrenders relating to the payment of the purchase or exercise price of any such Award or the satisfaction of the tax withholding obligations related to any such Award, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

### **3.7 Limits on Grants of Awards**

Notwithstanding anything in this Plan, the granting of Awards shall be subject to the following conditions:

- (a) for so long as the Shares are listed and posted for trading on the TSXV, not more than two (2%) percent of the Corporation's issued and outstanding Shares may be granted to any one Consultant in any 12 month period;
- (b) for so long as the Shares are listed and posted for trading on the TSXV, Investor Relations Service Providers may not receive any Award other than Options;
- (c) for so long as the Shares are listed and posted for trading on the TSXV, not more than an aggregate of two (2%) percent the Corporation's issued and outstanding Shares may be granted in aggregate pursuant to Options to Investor Relations Service Providers in any 12 month period;
- (d) for so long as the Shares are listed and posted for trading on the TSXV, unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Corporation's issued and outstanding Shares may be issued to any one Person in any 12 month period;

- (e) for so long as the Shares are listed and posted for trading on the TSXV, unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price or extend the term of Options previously granted to Insiders;
- (f) for so long as the Shares are listed and posted for trading on the TSXV, Investor Relations Service Providers shall not be eligible to receive any Awards other than Options;
- (g) the aggregate number of Shares issuable to Insiders at any time under this Plan, shall not exceed ten (10%) percent of the Corporation's issued and outstanding Shares;
- (h) the aggregate number of Shares issuable to Insiders within any one (1) year period under this Plan shall not exceed ten (10%) percent of the Corporations issued and outstanding Shares; and
- (i) the Plan Administrator shall not grant any Awards that may be denominated or settled in Shares to residents of the United States or a U.S. Award Holder unless such Awards and the Shares issuable upon exercise thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting, excluding votes attaching to shares beneficially owned by, (i) Insiders to whom options may be granted under the Plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

### **3.8 Hold Period**

All Awards and any Shares issued on the exercise of Awards may be subject to and legended with a four month hold period commencing on the date the Awards were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Awards may be subject to resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares. Awards granted to U.S. Award Holders and any Shares issued on the exercise of such Awards may be subject to additional resale restrictions as outlined in the Award Agreement.

### **3.9 Awards Granted to Corporations**

Except in relation to a Consultant that is a corporation, Awards may only be granted to an individual or a corporation that is wholly-owned by a Director, Officer, Employee or Consultant. For so long as the Shares are listed and posted for trading on the TSXV, if a corporation is a Participant receiving Options, it must provide the TSXV with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Award remains outstanding, except with the written consent of the Exchange.



### **3.10 Award Agreements**

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to each Participant granted an Award pursuant to this Plan. If any Awards are issued to a U.S. Award Holder or anyone who becomes a U.S. Award Holder, who is granted an Award in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States, such Participant shall receive an Award Agreement which sets out the applicable United States restrictions.

### **3.11 Non-Transferability of Awards**

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death.

## **ARTICLE 4 OPTIONS**

### **4.1 Granting of Options**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Director, Officer, Employee or Consultant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement. Notwithstanding any of the foregoing provisions, the Plan Administrator may authorize the grant of an Option to a person not then in the employ of the Corporation or of its subsidiary, conditioned upon such person becoming a Director, Officer, Employee or Consultant at or prior to the Date of Grant of such Option. In the case of a grant of Options to a Participant that is a resident of Canada for the purposes of the Tax Act, the Corporation or other employer of the Participant shall, to the extent required and in the manner prescribed by the Tax Act, notify the Participant and the Canada Revenue Agency whether any Units that may be issued or sold under such Options will be non-qualified securities for the purposes of the Tax Act.

### **4.2 Exercise Price**

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant, provided that, for so long as the Shares are listed and posted for trading on the TSXV, the Exercise Price must in all cases be not less than the Discounted Market Price on the Date of Grant.

Notwithstanding the foregoing, for Options awarded to U.S. Taxpayers, (i) the Exercise Price shall be the Market Price on the Date of Grant as defined in this Plan, except that Policy 1.1 shall not operate to decrease the price determined by the volume weighted average trading price as contemplated in the definition of Market Price (the “**U.S. Option Exercise Price**”); and (ii) the Discounted Market Price shall not operate to reduce the U.S. Option Exercise Price.

#### **4.3 Term of Options**

- (a) Subject to any accelerated vesting or termination as set forth in this Plan, each Option expires on its Expiry Date, which may not be later than the close of business ten (10) years from the Date of Grant.
- (b) Upon the Expiry Date, the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

#### **4.4 Vesting**

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Notwithstanding the foregoing, all Options granted to Investor Relations Service Providers pursuant to this Plan shall vest and become fully exercisable as follows or as determined by the Plan Administrator when the Option is granted, but in any event, such Options shall not vest any sooner than:
  - (i) one quarter ( $\frac{1}{4}$ ) of the Options on the date which is three (3) months from the Date of Grant;
  - (ii) one quarter ( $\frac{1}{4}$ ) of the Options on the date which is six (6) months from the Date of Grant;
  - (iii) one quarter ( $\frac{1}{4}$ ) of the Options on the date which is nine (9) months from the Date of Grant; and
  - (iv) the final one quarter ( $\frac{1}{4}$ ) of the Options on the date which is twelve (12) months from the Date of Grant.
- (c) Notwithstanding anything to the contrary in the Plan, no more than one quarter ( $\frac{1}{4}$ ) of such Options granted to Investor Relations Service Providers may vest in any three month period.

#### **4.5 Exercisability**

- (a) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, consulting agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then

exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.

- (b) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (c) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.
- (d) No Option holder who is resident in the United States or a U.S. Award Holder may exercise Options unless the Option Shares are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

#### 4.6 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by cash, certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which, to the extent permitted by and otherwise subject to the rules and policies of the Exchange, may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the Cashless Exercise process set out in Section 4.6(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.
- (b) A Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares, (the “**In-the-Money Amount**”) by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to Section 8.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having an aggregate fair market value (based on the Market Price on the date of exercise) equal to the In-the-Money Amount. Any Options surrendered in connection with a Cashless Exercise will not be added back to the number of Shares reserved for issuance under this Plan. No Shares will be issued or transferred until full payment therefor has been received by the Corporation.

- (c) If a Participant surrenders Options through a Cashless Exercise pursuant to Section 4.6(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the Tax Act in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).
- (d) A Cashless Exercise is not available in respect of Options granted to an Investor Relations Service Provider.

## **ARTICLE 5 RESTRICTED SHARE UNITS**

### **5.1 Granting of RSUs**

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**”). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 may be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs (including the elected amount as applicable), as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price of a Share on the Date of Grant or, for so long as the Shares are listed and posted for trading on the TSXV, the Discounted Market Price of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its discretion.
- (c) For clarity, any RSUs granted pursuant to Section 5.1(a) shall be included in calculating the limits set forth in Sections 3.6 and 3.7. If the Corporation does not have a sufficient number of available Shares under this Plan to settle such RSU grants, the Corporation shall settle such RSU grants in cash.

### **5.2 RSU Account**

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

### **5.3 Vesting of RSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer, and provided that no RSUs may vest before the date that is one year following the Date of Grant.

## 5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable and to the extent such terms relate to the timing of settlement of RSUs, such terms will be set forth in the applicable Award Agreement. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:
- (i) one (1) fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
  - (ii) a cash payment, or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,
- in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.
- (e) No RSU holder who is resident in the United States may settle RSUs for Shares unless the Shares issuable upon settlement of the RSUs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

## ARTICLE 6 PERFORMANCE SHARE UNITS

### 6.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the "**PSU Service Year**"). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable and to the extent such terms relate to the time of settlement of PSUs, such terms will be set forth in the applicable Award

Agreement. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish. Any PSUs granted pursuant to Section 6.1 shall be included in calculating the limits set forth in Sections 3.6 and 3.7. If the Corporation does not have a sufficient number of available Shares under this Plan to settle such PSU grants, the Corporation shall settle such PSU grants in cash.

## **6.2 Terms of PSUs**

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

## **6.3 Performance Goals**

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) ("**Target Performance**"), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

## **6.4 PSU Account**

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

## **6.5 Vesting of PSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that no PSUs may vest before the date that is one year following the Date of Grant.

## **6.6 Settlement of PSUs**

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable and to the extent such terms relate to the time of settlement of PSUs, such terms will be set forth in the applicable Award Agreement. Subject to Section 11.6(d) below and except as

otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct;
- (ii) a cash payment; or
- (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,

in each case as determined by the Plan Administrator in its discretion.

- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.
- (e) No PSU holder who is resident in the United States may settle PSUs for Shares unless the Shares issuable upon settlement of the PSUs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

## **ARTICLE 7 DEFERRED SHARE UNITS**

### **7.1 Granting of DSUs**

- (a) The Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(a) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The "**Elected Amount**" shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that would otherwise be paid in cash (the "**Cash Fees**").
- (a) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule A hereto (the "**Election Notice**") with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31<sup>st</sup> in the year prior to the year to which such election is to apply (other than for Director Fees payable for the

2022 financial year, in which case any Electing Person who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of an existing Electing Person who is a U.S. Taxpayer as of the Effective Date of this Plan, provided that the Electing Person has not participated in another deferred compensation plan or arrangement that is required to be aggregated for purpose of Code Section 409A, an initial Election Notice may be filed by the date that is 30 days from the Effective Date only with respect to compensation paid for services to be performed after the Election Date; and, in the case of a newly appointed Electing Person who is a U.S. Taxpayer, provided that the Electing Person has not participated in another deferred compensation plan or arrangement that is required to be aggregated for purposes of Code Section 409A, an Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the Election Date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.

- (b) Subject to Subsection 7.1(c), the election of an Electing Person under Subsection 7.1(a) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.
- (c) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of Schedule B. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a Blackout Period. Thereafter, any portion of such Electing Person's Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(a), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any calendar year is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule C is delivered.
- (d) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(c) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (e) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of any Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant or, for so long as the Shares



are listed and posted for trading on the TSXV, the Discounted Market Price of a Share on the Date of Grant.

- (f) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.
- (g) For clarity, any DSUs granted pursuant to Section 7.1(a) shall be included in calculating the limits set forth in Sections 3.6 and 3.7. If the Corporation does not have a sufficient number of available Shares under this Plan to settle such DSU grants, the Corporation shall settle such DSU grants in cash.

## **7.2 DSU Account**

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant may be evidenced by an Award Agreement.

## **7.3 Vesting of DSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no DSUs may vest before the date that is one year following the Date of Grant.

## **7.4 Settlement of DSUs**

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, for a Participant who is not a U.S. Taxpayer the settlement date shall be the date determined by the Participant; provided that, in the case of a Participant who is a Canadian Taxpayer, the settlement date shall be no earlier than the date on which the Participant ceases to be a Director and no later than the last Business Day of the immediately following calendar year, and in the case of a Participant who is a U.S. taxpayer, the settlement date shall be the date of the Participant's Separation from Service and for greater certainty in all cases by the end of the year in which such Separation from Service occurs, subject to Section 11.6(d). On the settlement date for any DSU, each vested DSU will be redeemed for:
  - (i) one (1) fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct;
  - (ii) a cash payment; or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 7.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the

number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll or in such other manner as determined by the Corporation.
- (d) No DSU holder who is resident in the United States may settle DSUs for Shares unless the Shares issuable upon settlement of the DSUs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.
- (e) Notwithstanding anything in the Plan and the applicable DSU Award Agreement, if a U.S. Taxpayer is also subject to Canadian income tax with respect to his or her DSUs, then at such time as such U.S. Taxpayer ceases services with the Board, the Corporation will undertake to ensure that such cessation of services will be undertaken in a manner that constitutes both a Separation from Service and a loss of office or employment as contemplated by paragraph 6801(d) of the Regulations under the Income Tax Act (Canada).

#### **7.5 No Additional Amount or Benefit**

For greater certainty, neither a Director to whom DSUs are granted nor any person with whom such Director does not deal at arm's length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the fair market value of the Shares to which the DSUs relate.

### **ARTICLE 8 ADDITIONAL AWARD TERMS**

#### **8.1 Dividend Equivalents**

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, an Award of RSUs, PSUs and DSUs shall include the right for such RSUs, PSUs and DSUs to be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs and DSUs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, and 7.4 respectively.
- (b) For clarity, any dividend equivalents granted pursuant to Section 8.1(a) shall be included in calculating the limits set forth in Section 3.6(a) and Section 3.7. If the Corporation does not have a sufficient number of available Shares under this Plan

to grant such dividend equivalents, or where the issuance of shares would result in breaching a limit on any grants or issuances contained in this Plan, the Corporation shall make such dividend payments in cash.

- (c) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

## **8.2 Blackout Period**

If an Award expires during a routine or special trading Blackout Period, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in negative tax consequences, the Award shall expire five (5) Business Days after the Blackout Period is lifted by the Corporation; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (ii) the automatic extension of an Award will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities. In no event will the Expiry Date of an Option awarded to a U.S. Taxpayer be extended beyond the date that is ten years following the Date of Grant.

## **8.3 Withholding Taxes**

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

## **8.4 Recoupment**

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, consulting agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

## ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES

### 9.1 Termination of Officer, Employee, Consultant or Director

Subject to Section 9.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, consulting agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting or other agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant (whether such resignation is with or without Good Reason, but excluding a Retirement), termination by the Corporation or a subsidiary of the Corporation (whether such termination occurs for, or without Cause, with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then, subject to applicable law that cannot be waived by the Participant:
  - (i) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards; and
  - (ii) each Award held by a Participant that has vested may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, settled or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award, and (B) the date that is twelve (12) months after the Termination Date, provided that any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the Participant's Separation from Service. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;
- (b) where a Participant's employment, consulting or other agreement or arrangement is terminated by reason of the death of the Participant, then each Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, settled or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (i) the Expiry Date of such Award, and (ii) the first anniversary of the date of the death of such Participant provided that (1) with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the date of death of such Participant, if the applicable performance period has been completed and the Corporation can determine if the Performance Goals have been attained, failing which the Corporation will assume Target Performance; and (2) any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year

as the Participant's death. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;

- (c) where a Participant's employment, consulting or other arrangement is terminated by reason of Disability, then each Award held by the Participant that has not vested as of the date of such termination shall vest on such date and may, subject to Sections 5.4(d), 6.6(d) and 7.4(a)(where applicable), be exercised, settled or surrendered to the Corporation by a Participant at any time until the Expiry Date of such Award, provided that (1) with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Corporation can determine if the Performance Goals have been attained, failing which the Corporation will assume Target Performance; and (2) any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the Participant's Separation from Service. Any Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;
- (d) where a Participant's employment, consulting or other agreement or arrangement is terminated due to Retirement, then each Award held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and, if any such Awards vest, shall be exercised, settled or surrendered to the Corporation by the Participant in accordance with this Plan and the applicable Award Agreement; provided that (1) if the Participant is not a U.S. Taxpayer, then with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Corporation can determine if the Performance Goals have been attained, failing which the Corporation will assume Target Performance, (2) any Awards to U.S. Taxpayers, will be subject to the terms of the applicable Award Agreement with respect to the Participant's Retirement and (3) for so long as the Shares are listed and posted for trading on the TSXV, any such Award shall expire within a reasonable period, not exceeding twelve (12) months from the Termination Date, following which the Participant shall not be entitled to any damages or other amounts in respect of such expired Awards. Notwithstanding the foregoing, if, following his or her Retirement, the Participant breaches the terms of any restrictive covenant in the Participant's written or other applicable employment or other agreement with the Corporation or a subsidiary of the Corporation, any Award held by the Participant that has not been exercised, surrendered or settled shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards;
- (e) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of the earliest of the following:

- (i) the Termination Date; or
  - (ii) the date of the death, Disability, Retirement or the date notice is given of the resignation of the Participant; and
- (f) notwithstanding Subsection 9.1(a), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, or unless an Award of a U.S. Taxpayer that is subject to Code Section 409A would require otherwise, Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Officer, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation.

## **9.2 Discretion to Permit Acceleration**

Notwithstanding the provisions of Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator; provided that, for so long as the Shares are listed and posted for trading on the TSXV,

- (a) no acceleration of the vesting provisions set forth in Section 4.4(b) is permitted without prior TSXV acceptance; and
- (b) no Awards (other than Options) issued pursuant to this Plan may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to Policy 4.4, including s. 4.6 of Policy 4.4.

## **ARTICLE 10 EVENTS AFFECTING THE CORPORATION**

### **10.1 General**

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

### **10.2 Change in Control**

Subject to the applicable rules and requirements of the Exchange, including the prior approval of the Exchange, if applicable, except as may be set forth in an employment agreement, consulting

agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change in Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted;
- (b) Notwithstanding Section 9.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause or the Participant resigns with Good Reason:
  - (i) a portion of any unvested Awards shall immediately vest, such portion to be equal to the number of unvested Awards held by the Participant as of the Termination Date multiplied by a fraction, the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date any unvested Awards were originally scheduled to vest, which vested Awards may, subject to Subsections 5.4(d) and 6.6(d) (where applicable) be exercised, settled or surrendered to the Corporation by such Participant at any time during the period that terminates on the earlier of:

- (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that (1) with respect to any PSUs held by such Participant, the attainment of Performance Goals shall be assessed on the basis of actual achievement of the Performance Goals up to the Termination Date, if the applicable performance period has been completed and the Corporation can determine if the Performance Goals have been attained, failing which the Corporation will assume Target Performance, and (2) any Awards subject to Section 409A awarded to U.S. Taxpayers, shall, if such Awards vest, be exercised, settled or surrendered within the same calendar year as the Participant's "Separation from Service", with any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards; and
- (ii) any vested Awards of Participants may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, settled or surrendered to the Corporation by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the Participant's Separation from Service, with any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards.
- (c) Notwithstanding Subsection 10.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, at or within a reasonable period of time following completion of such Change in Control transaction.
- (d) It is intended that any actions taken under this Section 10.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

### **10.3 Reorganization of Corporation's Capital**

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of



any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

#### **10.4 Other Events Affecting the Corporation**

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired on the vesting of outstanding Awards or by reference to which such Awards may be settled (as applicable), and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

#### **10.5 Immediate Acceleration of Awards**

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards subject to the applicable rules and requirements of the Exchange, including the prior approval of the Exchange, if applicable.

#### **10.6 Issue by Corporation of Additional Shares**

Except as expressly provided in this Article 10, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

#### **10.7 Fractions**

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 10, a dividend equivalent or otherwise, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

## **ARTICLE 11 U.S. TAXPAYERS**

### **11.1 Provisions for U.S. Taxpayers**

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“ISOs”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Nonqualified stock options will be granted to a U.S. Taxpayer only if (i) such U.S. Taxpayer performs services for the Corporation or any corporation or other entity in which the Corporation has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire “service recipient stock” within the meaning of Section 409A, or (ii) such option otherwise is exempt from Section 409A.

### **11.2 ISOs**

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of ISOs shall not exceed 20,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may be granted, provided that ISOs may be granted only to any employee of the Corporation, or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Sections 424(e) and (f) of the Code. An ISO may be exercised during the Participant’s lifetime only by the Participant (or the Participant’s legal guardian). An ISO cannot be transferred assigned, pledged or hypothecated or otherwise disposed of by the Participant except by will or the laws of descent and distribution. In the event that this Plan is not approved by the shareholders of the Corporation as required by Section 422 of the Code within twelve (12) months before or after the date of adoption of the Plan by the Board, ISOs granted under the Plan automatically will be deemed to be nonqualified stock options.

### **11.3 ISO Grants to 10% Shareholders**

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

### **11.4 \$100,000 Per Year Limitation for ISOs**

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation) exceeds \$100,000, such excess ISOs shall be treated as non-qualified stock options.

## **11.5 Disqualifying Dispositions**

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in clause (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

## **11.6 Section 409A of the Code**

- (a) This Plan and Awards will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be drafted, construed, and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a Separation from Service, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.

- (c) The Plan Administrator, in its discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer's vested Awards in the Plan that constitute "deferred compensation" subject to Section 409A of the Code under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a Separation from Service may not be made prior to the date which is six months after the date of Separation from Service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such Separation from Service.

### **11.7 Section 83(b) Election**

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

### **11.8 Application of Article 11 to U.S. Taxpayers**

For greater certainty, the provisions of this Article 11 shall only apply to U.S. Taxpayers.

## **ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN**

### **12.1 Amendment, Suspension, or Termination of the Plan**

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

## 12.2 Shareholder Approval

Notwithstanding Section 12.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:

- (a) increases the percentage of the Corporation's issued and outstanding Shares from time to time that can be reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsections 3.7(g) and 3.7(h);
- (c) reduces the exercise price of an Option Award (for this purpose, a cancellation or termination of an Option Award of a Participant prior to its Expiry Date for the purpose of reissuing an Option Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extends the term of an Option Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a Blackout Period applicable to the Participant or within five (5) business days following the expiry of such a Blackout Period);
- (e) permits an Option Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a Blackout Period of the Corporation);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person;
- (h) changes the eligible participants of the Plan;
- (i) is a matter expressly subject to approval of the holders of Shares pursuant to the applicable rules of the Exchange; or
- (j) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2.

## 12.3 Permitted Amendments

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9, provided that, for so long as the Shares are listed and posted for trading on the TSXV, shareholder approval shall be required for such amendments;

- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

### **ARTICLE 13 MISCELLANEOUS**

#### **13.1 Legal Requirement**

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

#### **13.2 No Other Benefit**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

#### **13.3 Rights of Participant**

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Officer, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

#### **13.4 Corporate Action**

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

### **13.5 Conflict**

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail, and to the extent that the result would be to cause an Award of a U.S. Taxpayer to fail either to be exempt from, or to comply with, Code Section 409A.

### **13.6 Anti-Hedging Policy**

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

### **13.7 Participant Information**

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

### **13.8 Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

### **13.9 International Participants**

With respect to Participants who reside or work outside Canada, the Plan Administrator may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

### **13.10 Successors and Assigns**

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

### **13.11 General Restrictions or Assignment**

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

### **13.12 Severability**

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

### **13.13 Rights to Compensation or Damages**

The Plan displaces any and all common law and civil law rights the Participant may have or claim to have in respect of any Awards, including any right to damages. The foregoing shall apply, regardless of: (i) the reason for the termination of the Participant's employment, term of office or service arrangement; (ii) whether such termination is lawful or unlawful, with or without Cause or Good Reason; (iii) whether it is the Participant or the Corporation or a subsidiary of the Corporation that initiates the termination; and (iv) any fundamental changes, over time, to the terms and conditions applicable to the Participant's employment, term of office or service arrangement.

### **13.14 Notices**

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

CoTec Holdings Corp.  
Suite 428, 755 Burrard Street  
Vancouver, BC, V6Z 1X6  
Attention: Braam Jonker  
Email: braam.jonker@cotec.ca

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.



### **13.15 Effective Date**

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Corporation.

### **13.16 Governing Law**

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

### **13.17 Submission to Jurisdiction**

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

**SCHEDULE A**

**COTEC HOLDINGS CORP.  
OMNIBUS EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION NOTICE**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive \_\_\_\_% of my Cash Fees in the form of DSUs.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**SCHEDULE B**

**COTEC HOLDINGS CORP.  
OMNIBUS EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

**SCHEDULE C**

**COTEC HOLDINGS CORP.  
OMNIBUS EQUITY INCENTIVE PLAN (THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs  
(U.S. TAXPAYERS)**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.