

Cobalt 27 Capital Corp.



Management Information Circular

For the Annual General and Special Meeting of Shareholders
to be held on **August 14, 2018**

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ADDENDA

SCHEDULE "A"	OMNIBUS LONG-TERM INCENTIVE PLAN
SCHEDULE "B"	FORM OF AMENDED AND RESTATED ARTICLES OF THE COMPANY
SCHEDULE "C"	BOARD MANDATE

Notice of Annual General and Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders (the “**Meeting**”) of Cobalt 27 Capital Corp. (the “**Company**”) will be held at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada, M5L 1B9 on Tuesday, August 14, 2018 at the hour of 9:00 a.m. (Toronto Time) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the most recently completed financial years ended together with the report of the auditor thereon;
2. To fix the number of Directors of the Company at seven;
3. To elect Directors of the Company for the ensuing year;
4. To appoint KPMG LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the Directors to fix their remuneration;
5. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Omnibus Long Term Incentive Plan, as more particularly described in the accompanying Management Information Circular;
6. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Amended and Restated Articles, as more particularly described in the accompanying Management Information Circular; and
7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular (the “**Circular**”) accompanying this notice. The audited consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) for the Company for each of the eight month period ended December 31, 2017 and the fiscal year ended April 30, 2017 have already been mailed to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company, on SEDAR at www.sedar.com or the Company’s website at www.cobalt27.com. This notice is accompanied by the Circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders and a supplemental mailing list return card (collectively, the “**Meeting Materials**”). Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose. As described in the notice and access notification mailed to shareholders of the Company, the Company will deliver the applicable Meeting Materials to shareholders by posting the Meeting Materials on its website. This alternative means of delivery is more environmentally friendly as it will help reduce paper use and mitigate the Company’s printing and mailing costs.

The Meeting Materials will be available on the Company’s website as of July 17, 2018, and will remain on the website for one full year thereafter. The Meeting Materials will also be available under the Company’s profile on SEDAR at www.sedar.com as of July 17, 2018. The Company will continue to mail paper copies of the applicable Meeting Materials to those registered and beneficial shareholders who previously elected to receive paper copies. All other shareholders will receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling (647) 846-7765 or by email at info@cobalt27.com. Meeting Materials will be sent to such shareholders at no cost to

them within three business days of their request, if such requests are made before the Meeting. If you have any questions about the information contained in this Information Circular, or require any assistance in completing your form of proxy, please contact Kingsdale Advisors at 1-888-518-1563.

The Board of Directors of the Company has, by resolution, fixed the close of business on July 6, 2018 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournment or adjournments thereof. Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department or send it by facsimile to 1-416-595-9593, no later than 9:00 a.m. (Toronto Time) on August 10, 2018, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment thereof is held. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Toronto, Ontario this 16th day of July, 2018.

BY ORDER OF THE BOARD

(Signed) *Anthony Milewski*
Chief Executive Officer

Introduction

Cobalt 27 Capital Corp. (the “**Company**”) is providing this Management Information Circular (the “**Circular**”) and a form of proxy in connection with management’s solicitation of proxies for use at the Annual General and Special Meeting (the “**Meeting**”) of the Company to be held on Tuesday, August 14, 2018, and at any adjournments. Unless the context otherwise requires, when we refer in this Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation. The Company has also retained the services of Kingsdale Advisors as our strategic shareholder advisor and proxy solicitation agent for the solicitation of proxies for the Meeting, at an aggregate cost estimated to be \$45,000.

The Company may utilize the Broadridge QuickVote service to assist beneficial shareholders with voting their shares over the telephone. Alternatively, Kingsdale Advisors may contact such beneficial shareholders to offer assistance with conveniently voting their shares through the Broadridge QuickVote service. Broadridge then tabulates the results of all the instructions received and then provides the appropriate instructions respecting the shares to be represented at the Meeting.

All dollar amounts referenced herein are, unless otherwise stated, expressed in Canadian dollars (being the same currency that the Company uses in its financial statements). The Company’s common share price on the TSX Venture Exchange (“**TSXV**”) is denoted in Canadian dollars.

Information in this Circular is provided as at July 16, 2018, except as otherwise indicated.

Particulars of Matters to be Acted Upon

Election of Directors

Overview

The directors (“**Directors**”) of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Board of Directors of the Company (the “**Board**”) currently consists of six Directors; however, Shareholder (as hereinafter defined in this Circular) approval will be sought to fix the number of Directors of the Company at seven.

At the Meeting, the seven persons named hereunder will be proposed for election as Directors of the Company (the “**Nominees**” and each, a “**Nominee**”). All of the Nominees (except for Philip Williams, who is a new Nominee) currently serve on the Board and each has expressed his or her willingness to serve on the Board for another term.

The Board and management consider the election of each of the Nominees to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying proxy will vote the Shares (as hereinafter defined in this Circular) represented by such form of proxy, properly executed, **FOR** the election of each of the Nominees whose names are set forth below. Management does not contemplate that any of the Nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. Each of the Nominees below (excepting Philip Williams, who is a new Nominee, and Justin Cochrane and Candace MacGibbon, each of whom were appointed in December 2017) was elected at the last annual general meeting of the Shareholders held on May 18, 2017.

Director Profiles

Each of the seven nominated Directors is profiled below, including his/her background and experience, areas of expertise, committee memberships, Share ownership and other public companies and board committees of which he/she is a member. Information concerning each such person is based upon information furnished by the individual Nominee.

Anthony Milewski

Age: 37 Kennewick, Washington, USA

Director Since:

April 20, 2017
Non-Independent

Committee Membership:

N/A

Areas of Expertise:

Principal Occupation:

Chairman and Chief Executive Officer of the Company

Mr. Milewski has spent his career in various aspects of the mining industry, including as a company director, advisor, founder and investor. In particular, he has been active in the battery metals industry including investing in cobalt and actively trading physical cobalt. Mr. Milewski has managed numerous mining investments at various stages of development, including exploration, development, production and turnaround situations, and across a broad range of commodities. He has also served as a director of both public and private companies and has been seconded as interim CEO on multiple occasions. Mr. Milewski is a member of the investment team at Pala Investments Limited. Prior to joining Pala Investments, he worked at Firebird Management LLC.

Mr. Milewski previously worked at Renaissance Capital and Skadden, Arps, Slate, Meagher & Flom LLP in Moscow, where he focused on advisory and transactional work in metals & mining and oil & gas sectors. He has lived and worked in Africa and Russia, including a year as a Fulbright scholar, and has spent considerable time in Central Asia. Mr. Milewski holds a B.A. in Russian history from Brigham Young University, an M.A. in Russian and Central Asian Studies from the University of Washington, and a J.D. from the University of Washington. He holds an LLM from the Russian Academy of Sciences.

Other Public Company Directorships:

Highlands Pacific Limited (ASX: HIG)

Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾

Company Shares: 90,000

Options: 233,000

Restricted Share Units: 500,000

Justin Cochrane

Age: 38 Burlington, Ontario, Canada

Director Since:

December 21, 2017
Non-Independent

Committee Membership:

N/A

Areas of Expertise:

Principal Occupation:

President and Chief Operating Officer of the Company

Mr. Cochrane, President and Chief Operating Officer of the Company, has over 16 years of royalty and stream financing, M&A and corporate finance experience. Prior to joining Cobalt 27, he served as Executive Vice President and Head of Corporate Development for Sandstorm Gold Ltd. for five years. At Sandstorm, he was responsible for the structuring, negotiation and execution of over \$500 million of royalty and stream financing contracts around the world, across dozens of projects.

Prior to Sandstorm, he spent nine years in investment banking and equity capital markets with National Bank Financial where he covered the resource, clean-tech and energy technology sectors. In addition, Mr. Cochrane is currently a board member of Nevada Copper Corp. and Duke Royalty Limited. Mr. Cochrane is a Chartered Financial Analyst and a registered and licensed security advisor in Canada.

Other Public Company Directorships:

Nevada Copper Corp. (TSX: NCU)
Duke Royalty Limited (LSE: DUKE)

Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾

Company Shares: 42,950

Options: 162,500

Restricted Share Units: 360,000

Nick French	Director Since:	Committee Membership:
Age: 65 London, England	April 20, 2017 Independent	Compensation & Corporate Governance Committee
Areas of Expertise:	<p>Mr. French graduated from Cambridge University in 1975 with an M.A. in Geography (Economic) before spending 22 years with London based trader Wogen Resources Ltd. during which time he rose from trainee to Managing Director and was at the trading desk when the price of cobalt rose from US\$5/lb to US\$50/lb during an eight-month period during 1978. During the following years, Mr. French was on the cobalt front line as the market developed new directions based upon the opening up of China as it turned from net exporter to net importer and the collapse of the Iron Curtain including the sell-off of the Soviet stockpiles. In 1999 he became the CEO of SFP Metals Ltd., a creative cobalt specialist trading house. In 2015, Mr. French stepped back to form his own cobalt consultancy, Metal Investment Consultants, and has spent the last two years advising various parties on the structure and potential of the cobalt market with occasional articles published in the industrial press and conference presentations.</p>	
Principal Occupation:		
Lead Director of the Company		
Other Public Company Directorships:	Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾	
N/A	Company Shares:	N/A
	Options:	107,500
	Restricted Share Units:	15,000
Frank Estergaard	Director Since:	Committee Membership:
Age: 78 Kelowna, British Columbia, Canada	April 20, 2017 Independent	Audit Committee Compensation & Corporate Governance Committee
Areas of Expertise:	<p>Mr. Estergaard is a CPA, CA and a retired partner of KPMG. As an audit partner with KPMG, he provided audit services to clients in a wide range of industries, including mineral exploration and high technology. He also served on the firm's Management Committee and Partnership Board.</p> <p>Since retirement from KPMG, Mr. Estergaard has provided financial consulting services through Frannan Enterprises Ltd., and has served as CFO for several companies, including Rackforce Networks Ltd. (a private company), and for Metalex Ventures Ltd., (a public company). Mr. Estergaard has also served as a Director and Chairman of the Audit Committee for QHR Technologies Inc. and Fission Energy Inc. He is currently a Director and Chairman of the Audit Committee for Fission Uranium Corp. and Fission 3.0 Corp. and serves on their Corporate Governance Committees.</p>	
Principal Occupation:		
Corporate Director		
Other Public Company Directorships:	Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾	
Fission Uranium Corp. (TSX: FCU) Fission 3.0 Corp. (TSXV: FUU)	Company Shares:	N/A
	Options:	83,750
	Restricted Share Units:	N/A

John Kanellitsas	Director Since:	Committee Membership:
Age: 57 Hailey, Idaho, USA	April 20, 2017 Independent	Audit Committee Compensation & Corporate Governance Committee
Areas of Expertise:	Mr. Kanellitsas has been involved in the battery materials industry since 2009 and is currently the President and Vice Chairman of Lithium Americas Corp. He has over 25 years of corporate finance and investment management experience. He was a co-founder of Geologic Resource Partners, LLC and served as its Chief Operating Officer from 2004 until 2014, and was previously employed by Sun Valley Gold, LLC, Morgan Stanley & Co. in New York and San Francisco, and General Electric.	
Principal Occupation:		
Vice Chairman and President of Lithium Americas Corp.		
Other Public Company Directorships:	Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽⁴⁾	
Lithium Americas Corp. (TSX: LAC)	Company Shares:	30,000
	Options:	83,750
	Restricted Share Units:	N/A

Candace MacGibbon	Director Since:	Committee Membership:
Age: 43 Toronto, Ontario, Canada	December 21, 2017 Independent	Audit Committee
Areas of Expertise:	Ms. MacGibbon is a CPA, CA with over 25 years of experience in the mining sector and capital markets. She is currently the CEO of INV Metals Inc., a Canadian mineral resource company focused on the development and exploration of the Loma Larga gold property in Ecuador. Ms. MacGibbon has a deep understanding of the capital markets as a result of her previous employment as a global mining institutional salesperson with RBC Capital Markets and in base metals research as a mining associate with BMO Capital Markets. Ms. MacGibbon is a Chartered Professional Accountant and her financial and accounting experience includes her previous role as CFO of INV Metals Inc., as well as her prior employment with Deloitte LLP.	
Principal Occupation:		
Chief Executive Officer of INV Metals Inc.		
Other Public Company Directorships:	Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽⁴⁾	
INV Metals Inc. (TSX: INV)	Company Shares:	2,500
	Options:	40,000
	Restricted Share Units:	N/A

Philip Williams

Age: 43 Toronto, Ontario, Canada

Director Since:

N/A
Independent

Committee Membership:

N/A

Areas of Expertise:

Principal Occupation:

Corporate Director

Mr. Williams brings more than 15 years of mining and finance industry experience. His diverse work experience includes roles in corporate development, as a sell-side research analyst, in fund management and most recently as managing director of investment banking focused on the metals and mining sector. In each of these roles, he focused a significant amount of time on the exploration industry.

As a research analyst at Westwind Partners, Mr. Williams worked with a team that covered a range of commodities including precious and base metals, diamonds and uranium. In late 2008, he joined Pinetree Capital, a natural resource focused investment fund, in the role of VP Business Development. During his time there, he was responsible for analyzing and monitoring investments and was also appointed to the board of directors of several investee companies. In 2012, he joined Dundee Capital Markets (now Eight Capital) in the investment banking group. As a Managing Director, he successfully completed equity financings across a wide range of commodities and was a named advisor on multiple M&A transactions. Mr. Williams is a Chartered Financial Analyst and holds a Bachelor of Commerce Degree.

Other Public Company Directorships:

Mawson Resources Limited (TSX: MAW)

Number of Shares of the Company Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾

Company Shares: N/A

Options: N/A

Restricted Share Units: N/A

Notes:

(1) For details concerning Stock Options (as hereinafter defined in this Circular) held by each of the above persons (excepting Mr. Williams, who is a new Nominee) and the year-end "at risk" value of their Stock Options, kindly refer to the specific disclosure contained within the "Executive Compensation" section of this Circular.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and Executive Officers of the Company acting solely in such capacity.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed Director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was the subject, while the proposed Director was acting in the capacity as Director, chief executive officer or chief financial officer of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed

Director ceased to be a Director, chief executive officer or chief financial officer but which resulted from an event that occurred while the proposed Director was acting in the capacity as Director, chief executive officer or chief financial officer of such company; or

- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a Director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

Meeting Attendance

The table below presents the Director attendance at Board and committee meetings held during 2017.

Director	Board Meetings		Audit Committee Meetings		Corporate Governance & Compensation Committee	
	#	%	#	%	#	%
Anthony Milewski	6	100	N/A	N/A	N/A	N/A
Justin Cochrane ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A
Nick French	6	100	N/A	N/A	3	100
Frank Estergaard	6	100	3	100	3	100
John Kanellitsas	6	100	3	100	3	100
Candace MacGibbon ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A

(1) Appointed director on December 21, 2017.

Appointment of Auditors

KPMG LLP, Chartered Professional Accountants (“**KPMG**”), are the auditor of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, **FOR** the appointment of KPMG as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

KPMG were first appointed as auditors of the Company on October 23, 2017 when, pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”), the Company requested that their former auditor, Wolrige Mahon LLP (“**WM**”), Chartered Professional Accountants, resign as the Company’s auditor. Pursuant to Section 204(4) of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), the Directors of the Company were entitled to fill any casual vacancy in the office of the auditor and accordingly appointed KPMG as the Company’s auditor in the place and stead of WM until the close of the next Annual General Meeting of the Company. There were no “reportable events” including disagreements, unresolved issues and consultations, as defined in NI 51-102, between the Company and WM or KPMG and the resignation and the recommendation to appoint KPMG was approved by the Audit Committee and the Board.

Approval of Omnibus Long-Term Incentive Plan

The following is intended as a brief description of the Company’s proposed long-term incentive plan (the “**LTIP**”) and is qualified in its entirety by the full text of the LTIP, which is attached as Schedule “A” to this Circular.

On July 13, 2018, the Board approved the adoption of the LTIP. The LTIP allows for a variety of equity-based awards that provide different types of incentives to be granted to the Company’s directors, officers, employees and consultants. The LTIP will facilitate granting of “**Awards**” representing the right to receive one Share (and in the case of RSUs, one Share, the cash equivalent of one Share, or a combination thereof) in accordance with the terms of the LTIP. The following discussion is qualified in its entirety by the text of the LTIP.

Under the terms of the LTIP, the Board, or if authorized by the Board, the Compensation and Corporate Governance Committee, may grant Awards to eligible participants. Awards may be granted at any time and from time to time in order to (i) increase participants’ interest in the Company’s welfare; (ii) provide incentives for participants to continue their services; (iii) reward participants for their performance of services and (iv) provide a means through which the Company may attract and retain people to enter its employment. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, except upon the death of the participant.

The LTIP will provide that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change to our Shares, consolidation, distribution, merger or amalgamation, in the Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP. In the event that a participant receives Shares in satisfaction of an Award during a black-out period, such participant shall not be entitled to sell or otherwise dispose of such Shares until such black-out period has expired.

The maximum number of Shares reserved for issuance under our LTIP will be 10% of the aggregate number of Shares issued and outstanding from time to time, which as at the Closing will represent 8,320,790 Shares. The maximum number of Shares reserved for issuance under our LTIP to non-executive directors will be 1% of the aggregate number of Shares issued and outstanding from time to time, which as at the Closing will represent 832,079 Shares. The total Market Value (as defined herein) to any non-executive directors in any given calendar year shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of Options. The aggregate number of Shares (i) issued to insiders under the LTIP or any other proposed or established share-based compensation arrangement within any one-year period and (ii) issuable to insiders at any time under the LTIP or any other proposed or established share-based compensation arrangement, shall in each case not exceed 10% of the aggregate number of issued and outstanding Shares from time to time, which as at the Closing will represent 8,320,790 Shares, or such other number as may be approved by the TSXV and the shareholders of the Company from time to time.

In addition, at all times when the Company is listed on the TSXV: (a) the total number of Shares which may be reserved for issuance to any one eligible participant under the LTIP together with all of the Company's other previously established or proposed share compensation arrangements shall not exceed 5% of the issued and outstanding Shares on the grant date (on a non-diluted basis); (b) the aggregate number of Awards to any one eligible participant that is a consultant of the Company in any 12 month period must not exceed 2% of the issued Shares calculated at the first such grant date; (c) the aggregate number of Options to all persons retained to provide investor relations activities must not exceed 2% of the issued Shares in any 12-month period calculated at the first such grant date (and including any eligible participant that performs investor relations activities and/or whose role or duties primarily consist of investor relations activities); (d) options granted to any person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more than 25% of the options vesting in any three (3) month period notwithstanding any other provision of the LTIP; (e) the aggregate number of share units to any one eligible participant must not exceed (i) 1% of the issued Shares at the first such grant date and (ii) 2% of the issued Shares in any 12-month period calculated at the first such grant date; and (f) the aggregate number of share units issuable to all eligible participants under the Plan must not exceed 4,150,000. At all times when the Company is listed on the TSXV, the Company is required to seek annual TSXV and shareholder approval for the LTIP in conformity with the rules of the TSXV.

Unless the Board determines otherwise, the LTIP provides that options will vest as to 1/3 following the first anniversary of the date of such grant, 1/3 following the second anniversary of the date of such grant and 1/3 following the third anniversary of the date of such grant. The exercise price of any option shall be fixed by the Board when such option is granted, but shall be no less than the three-day volume weighted average trading price of the Shares on the TSXV on the day prior to the date of grant (the "**Market Value**"). An option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten years after the date of granting the option, or such shorter period of time as the Board may determine. The LTIP will provide that the exercise period shall automatically be extended if the date on which such Option is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate 10 business days following the last day of the blackout-period.

With respect to RSUs, unless otherwise approved by the Board and except as otherwise provided in a participant's grant agreement or any other provision of the LTIP, RSUs will vest as to 1/3 each on the first, second and third anniversary date of their grant. With respect to PSUs, unless otherwise approved by the Board and except as otherwise provided in a participant's grant agreement or any other provision of the LTIP, PSUs will vest subject to performance and time vesting.

The following table describes the impact of certain events upon the rights of holders of Awards under the LTIP, including termination for cause, resignation, termination other than for cause, retirement and death, subject to the terms of a participant's employment agreement:

Event Provisions	Provisions
Termination for cause.....	Immediate forfeiture of all vested and unvested Awards.
Resignation.....	Forfeiture of all unvested Awards and the earlier of the original expiry date and 90 days after resignation to exercise vested Awards or such longer period as the Board may determine in its sole discretion.
Termination other than for cause	Subject to the terms of the grant or as determined by the Board, upon a participant's termination without cause, the number of Awards that may vest is subject to pro-rata over the applicable performance or vesting period.
Retirement.....	Upon the retirement of a participant's employment with the Company, any unvested Awards held by the participant as at the retirement date will continue to vest in accordance with its vesting schedule, and all vested Awards held by the participant at the retirement date may be exercised until the earlier of the expiry date of the Awards or one year following the retirement date; provided that, if the participant breaches any post-employment restrictive covenants in favour of the Company (including non-competition or non-solicitation covenants), then any Awards held by such participant, whether vested or unvested, will immediately expire and the participant shall pay to the Company any "in-the-money" amounts realized upon exercise of options following the retirement date.
Death	All unvested Awards will vest and may be exercised within 180 days after death.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity; provided that the Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps (other than the Company); or (ii) the Company has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a participant is terminated without cause or resigns for good reason during the 12 month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Awards will immediately vest and may be exercised within 30 days of such date.

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any Award granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and TSXV approval,

provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any Award at any time without the consent of a participant; provided that such amendment shall (i) not adversely alter or impair any Award previously granted, except as permitted by the terms of the LTIP, (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSXV, and (iii) be subject to shareholder approval, where required by law, the requirements of the TSXV or the LTIP; provided, however, that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:

- amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, inconsistency, defective provision, error or omission in the LTIP;
- changes that alter, extend or accelerate the terms of exercise, vesting or settlement applicable to any Award (subject to TSXV prior approval if in respect of options granted to persons who provide investor relations activities);
- a change to the eligible participants or assignability provisions under the LTIP,
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks;
- any amendment regarding the administration of the LTIP;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body; and
- any other amendment that does not require the approval of the Shareholders,

provided that the alteration, amendment or variance does not:

- increase the maximum number of Shares issuable under the LTIP, other than pursuant to the adjustment provisions;
- reduce the exercise price of the Awards;
- introduce non-employee directors as eligible participants on a discretionary basis or increases the existing limits imposed on non-employee director participation;
- remove or exceed the insider participation limit; or
- amend the amendment provisions of the LTIP.

No such amendment to the LTIP shall cause the LTIP in respect of RSUs to cease to be a plan described in section 7 of the Tax Act or any successor to such provision.

Approval by Shareholders

Pursuant to the rules of the TSXV, any security-based compensation arrangement that does not have a fixed maximum number of securities issuable, such as the LTIP, must be re-approved by a majority of shareholders every year.

The Board and management consider the approval of the LTIP to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, **FOR** the approval of the LTIP.

The text of the ordinary resolution approving the LTIP is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting.

“RESOLVED, with or without amendment, that:

1. The Company’s Omnibus Long-Term Incentive Plan (the “**LTIP**”) as set forth in Schedule “A” to the Company’s Management Information Circular dated July 17, 2018, be and is hereby ratified and approved;
2. The Board of Directors of the Company be authorized, in its discretion, to administer the LTIP and to amend or modify the LTIP in accordance with its terms and conditions to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges or so as to meet industry standards; and
3. Any Director or officer of the Company be and is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.”

Approval of Amended and Restated Articles

Overview

In connection with an overall assessment of the Company’s existing articles and corporate policies following completion of the Company’s long form prospectus offering in June 2017, the Company has determined to amend and restate its articles under the BCBCA in order to update the articles to reflect recent corporate developments and best practices (such articles, the “**A&R Articles**”). A copy of the form of the A&R Articles is attached as Schedule “A” to this Circular.

The following describes material terms of the A&R Articles. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the A&R Articles. Shareholders are encouraged to make full reference to the terms of the A&R Articles attached as Schedule “A” to this Circular.

Common Shares - Rank

The Common Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of our liquidation, dissolution or winding-up.

Common Shares - Dividend Rights

Shareholders are entitled to receive dividends on a *pari passu* basis out of our assets legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine, subject to any preferential rights of the holders of any outstanding preferred shares.

Common Shares - Voting Rights

Shareholders are entitled to one vote in respect of each Common Share held at meetings of Shareholders, as described below.

Common Shares – Conversion

The Common Shares are not convertible into any other class of shares or other securities of the Company.

Meetings of Shareholders

Shareholders will be entitled to receive notice of any meeting of Shareholders and may attend and vote at such meetings, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote. A quorum for the transaction of business at a meeting of Shareholders is present if any two Shareholders who, together, hold not less than 10% of the votes attaching to our outstanding shares entitled to vote at the meeting are present in person or represented by proxy.

Retraction Rights

Shareholders will have no retraction rights.

Redemption Rights

The Company will have no redemption or mandatory purchase for cancellation rights in respect of the Common Shares.

Liquidation Rights

Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the Shareholders, without preference or distinction, will be entitled to receive rateably all of our assets remaining after payment of all debts and other liabilities.

Advance Notice Provisions

Our Articles will include certain advance notice provisions with respect to the election of our directors in our Articles (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors. Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting

(which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Approval by Shareholders

The Board and management consider the approval of the A&R Articles to be appropriate and in the best interests of the Company. Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, **FOR** the approval of the A&R Articles.

The text of the ordinary resolution approving the A&R Articles is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting.

“RESOLVED, with or without amendment, that:

1. The Company’s Amended and Restated Articles as set forth in Schedule “B” to the Company’s Management Information Circular dated July 17, 2018, be and is hereby ratified and approved;
2. Any Director or officer of the Company be and is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such Director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution.”

Other Matters

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of this Meeting (“**Notice of Meeting**”). If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

General Proxy Information

Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a shareholder of the Company (a “**Shareholder**”) in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the “**Management Proxyholders**”).

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

Voting by Proxy

Only registered shareholders (“**Registered Shareholders**”) or duly appointed proxyholders are permitted to vote at the Meeting. Shares (as hereinafter defined) represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

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

Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company’s registrar and transfer agent, TSX Trust Company, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department or send it by facsimile to 1-416-595-9593, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

If you have any questions about the information contained in this Information Circular, or require any assistance in completing your form of proxy, please contact Kingsdale Advisors at 1-888-518-1563.

Non-Registered Holders

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders whose names appear on the Share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are “non-registered” Shareholders (“Non-Registered Shareholders”) because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object (called “**NOBOs**” for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101— *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Company has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Company’s transfer agent, TSX Trust Company. These voting instruction forms are to be completed and returned to Computershare in the envelope provided or by facsimile. TSX Trust Company will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, via the internet or by phone.

With respect to OBOs, in accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this Circular, the form of proxy or voting instruction form and the supplemental mailing list request card (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by

the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department or send it by facsimile to 1-416-595-9593.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Shares they beneficially own. In addition, under New York Stock Exchange rules, an Intermediary subject to the New York Stock Exchange rules and who has not received specific voting instructions from the Non-Registered Shareholder may not vote the Shares in its discretion on behalf of such beneficial owner on “non-routine” proposals. “Routine” proposals typically include the ratification of the appointment of the Company’s independent registered chartered accountant. The approval of the number of Directors and the election of Directors, on the other hand, are each “non-routine” proposals. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. Shares held by an Intermediary can only be voted by the Intermediary (for, withheld or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting Shares. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

If a Non-Registered Shareholder does not specify a choice and the Non-Registered Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

Revocability of Proxy

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder, their attorney authorized in writing or, if the Registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf.

Voting Securities and Principal Holders Thereof

The Company is authorized to issue an unlimited number of common shares in the capital of the Company (the “**Shares**”), of which 83,207,897 Shares are issued and outstanding as of July 14, 2018. Persons who are Registered Shareholders at the close of business on July 14, 2018 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

Executive Compensation

Overview

This section presents certain supplemental information to the matters described in the documents incorporated by reference herein with respect to the Company's executive compensation based on Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

Named Executive Officers

For the purposes of the Executive Compensation section of this Circular, the following five individuals included in the "Summary Compensation Table" and related tables below are referred to as the "Named Executive Officers" or "NEOs":

Name	Title
Anthony Milewski	Chief Executive Officer ("CEO")
Justin Cochrane	President and Chief Operating Officer ("COO")
Cindy Davis	Chief Financial Officer ("CFO")
Carl von Einsiedel	Former CEO
Kathryn Witter	Former CFO

Compensation Discussion and Analysis and Oversight of Compensation

The following discussion and analysis provides an overview of the process pursuant to which the board of directors of the Company (the "Board") and the Compensation and Corporate Governance Committee of the Board determines director and NEO compensation in each period.

Overview

The Company's long-term corporate strategy is central to all of the Company's business decisions, including around executive compensation. The Company's current compensation programs are designed to attract, motivate and retain high calibre executives and align their interests with sustainable profitability and growth of the Company over the long-term in a manner which is fair and reasonable to the shareholders. In this regard, the Compensation and Corporate Governance Committee was established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the evaluation and approval of the Company's compensation plans, policies and programs. The Compensation and Corporate Governance Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance by executive officers and other members of senior management in a manner that will enhance the sustainable profitability and growth of the Company.

Executive Compensation Policies and Programs

The Company's current compensation policies and programs for executive officers consists of a base salary/compensation, cash bonuses, stock options, restricted share units ("RSUs"), and may include other customary employment benefits. As a general rule for establishing compensation for NEOs and executive officers, the Board considers the executive's performance, experience and position within

the Company and the recommendations of the Chief Executive Officer, or in the case of the Chief Executive Officer, the recommendation of the Lead Director of the Board. The Compensation and Corporate Governance Committee uses its discretion to recommend compensation for executive officers at levels warranted by external, internal and individual circumstances. Compensation of executive officers of the Company is reviewed on an annual basis and relies on, among other things, discussion of formal and informal objectives, as well as criteria, analysis and recommendations of external advisors and consultants. Stock options and RSUs are granted pursuant to the Option Plan and RSU Plan, respectively, at the discretion of the Compensation and Corporate Governance Committee. Options and RSUs granted to non-executive directors generally vest immediately and options or RSUs granted to other participants generally vest in equal amounts over three year periods or as otherwise determined by the Compensation and Corporate Governance Committee.

In the course of its deliberations, the Board considers the implications of the risks associated with adopting the compensation practices currently in place. The Board does not believe that its current compensation practices create a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks, and no such risks have been detected to date. The Board will continue to include this consideration in its deliberations, and believes that it would detect actions of management and employees of the Company that constitute or would lead to inappropriate or excessive risks. The Company does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals.

Base Salary

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salaries paid to the NEOs are reviewed annually by the Board as part of the annual review of executive officers. The base salaries paid to the NEOs are not subject to the achievement of any performance criteria. The decision whether to grant an increase to the executive's base salary and the amount of any such increase are in the sole discretion of the Board.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. Certain incentive bonuses were paid to NEOs during the most recently completed period in recognition of the significant corporate achievements of the Company during the period from completion of the Company's long form public offering in June 2017 to present. See "Summary of Compensation" below. In particular, in determining the amounts to be awarded to the NEOs as incentive bonus compensation in the most recently completed financial year, the Board and the Compensation and Corporate Governance Committee gave consideration to several objective and subjective factors, including, among other things, successful completion of the long form public offering in June 2017, completion of the Company's short form prospectus offering in December 2017 (and the concurrent acquisition of additional physical cobalt), as well as the overall share price performance of the Company during the fiscal year. While the Board and the Compensation and Corporate Governance Committee generally reviewed and took into account the compensation of other royalty and streaming companies, no specific peer group was used to determine the quantum of incentive bonuses, and no specific weight was assigned to any particular performance criterion or goal. The process of determining the amount to be paid for this element of each NEO's overall compensation in the most recently completed financial year was based on the achievement of these milestones, all of which were contemplated in the Company's annual business plan developed at the

time of the Company's long form public offering in June 2017. The achievement of these significant milestones during the most recently completed financial year significantly affected the incentive bonus compensation granted to the NEOs of the Company.

Security-Based Awards. The objectives of the Option Plan and the RSU Plan (each as defined below) are to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Company. At this stage in the Company's development, greater emphasis may be put on incentive stock option and RSU compensation. See "Summary of Compensation" below. The analysis undertaken by the Board and the Compensation and Corporate Governance Committee in determining the amounts that were awarded to the NEOs as incentive bonus compensation in the most recently completed financial year considered the same factors and criteria as described in the paragraph above in respect of the cash incentive bonuses awarded to the NEOs of the Company.

Summary of Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by the NEOs and directors for the eight month period ended December 31, 2017 and the fiscal years ended April 30, 2017 and April 30, 2016:

Table of compensation excluding compensation securities							
Name and position	Period Ended (m/d/y)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation ⁽¹⁾ (\$)	Total compensation (\$)
Anthony Milewski⁽²⁾ <i>CEO and Director</i>	12/31/17	\$212,834	\$1,000,000	nil	nil	nil	\$1,212,834
	04/30/17	\$67,690	nil	nil	nil	nil	\$67,690
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a
Justin Cochrane⁽³⁾ <i>President, COO and Director</i>	12/31/17	\$140,000	\$600,000	nil	nil	nil	\$740,000
	04/30/17	\$3,333	nil	nil	nil	nil	\$3,333
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a
Cindy Davis⁽⁴⁾ <i>CFO</i>	12/31/17	\$17,500	nil	nil	nil	nil	\$17,500
	04/30/17	\$1,000	nil	nil	nil	nil	\$1,000
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a
Carl von Einsiedel⁽⁵⁾ <i>Former CEO and Director</i>	12/31/17	nil	nil	nil	nil	nil	nil
	04/30/17	nil	nil	nil	nil	nil	nil
	04/30/16	n/a	n/a	n/a	n/a	\$38,500	\$38,500
Kathryn Witter⁽⁶⁾ <i>Corporate Secretary, Former CFO</i>	12/31/17	\$19,000	n/a	n/a	n/a	n/a	\$19,000
	04/30/17	\$58,000	n/a	n/a	n/a	n/a	\$58,000
	04/30/16	\$52,000	n/a	n/a	n/a	n/a	\$52,000
Nick French⁽⁷⁾ <i>Lead Director</i>	12/31/17	\$42,571	nil	nil	nil	nil	\$42,571
	04/30/17	nil	nil	nil	nil	nil	nil
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a
Frank Estergaard⁽⁷⁾ <i>Director</i>	12/31/17	\$41,833	nil	nil	nil	nil	\$41,833
	04/30/17	nil	nil	nil	nil	nil	nil
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a
John Kanellitsas⁽⁷⁾ <i>Director</i>	12/31/17	\$20,917	nil	nil	nil	nil	\$20,917
	04/30/17	nil	nil	nil	nil	nil	nil
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a
Candace MacGibbon⁽⁸⁾ <i>Director</i>	12/31/17	nil	nil	nil	nil	nil	nil
	04/30/17	nil	nil	nil	nil	nil	nil
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a
John Hykaway⁽⁹⁾ <i>Former Director</i>	12/31/17	\$23,145	nil	nil	nil	nil	\$23,145
	04/30/17	nil	nil	nil	nil	nil	nil
	04/30/16	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) Directors' fees of \$3,500 per month per Director until the end of March, 2016. All Directors' fees were accrued and not paid, and form part of the Company's accounts payable. Subsequent to April 2017, fees payable to directors were \$2,500 per month and \$5,000 per month for committee chairs.
- (2) Appointed CEO and director on April 20, 2017. Services provided through consulting agreement with Black Vulcan Resources LLC.
- (3) Appointed President and COO on April 20, 2017 and appointed director on December 20, 2017.
- (4) Appointed CFO on April 20, 2017. Services provided through consulting agreement with Marrelli Support Services Inc.
- (5) Resigned as CEO on April 20, 2017.
- (6) Resigned as CFO on April 20, 2017. Appointed Corporate Secretary April 20, 2017 and receives consulting fees through Marketworks, Inc. for corporate secretarial services.
- (7) Appointed director on April 20, 2017.
- (8) Appointed director on December 20, 2017.
- (9) Appointed director on April 20, 2017 and resigned as director December 20, 2017.

The following table discloses all compensation securities granted or issued to each NEO and director by the Company in the eight month period ended December 31, 2017 and the fiscal year ended April 30, 2017 for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$) ⁽²⁾	Closing price of security or underlying security at 12/31/17 (\$)	Expiry date
Anthony Milewski⁽³⁾ <i>CEO and Director</i>	Options	33,000 (5%)	03/31/17	4.33	4.40	12.30	03/31/22
	Options	100,000 (15.1%)	08/07/17	9.00	8.87	12.30	08/07/22
	RSUs	400,000 (57%)	08/07/17	9.00	8.87	12.30	08/07/20
Justin Cochrane⁽⁴⁾ <i>President, COO and Director</i>	Options	22,500 (3.4%)	03/31/17	4.33	4.40	12.30	03/31/22
	Options	70,000 (10.5%)	08/07/17	9.00	8.87	12.30	08/07/22
	RSUs	300,000 (43%)	08/07/17	9.00	8.87	12.30	08/07/20
Cindy Davis⁽⁵⁾ <i>CFO</i>	Options	15,000 (2.3%)	08/07/17	9.00	8.87	12.30	08/07/22
Carl von Einsiedel⁽⁶⁾ <i>Former CEO and Director</i>	Options	1,500 (0.2%)	03/31/17	4.33	4.40	12.30	03/31/22
Kathryn Witter⁽⁷⁾ <i>Former CFO</i>	Options	3,617 (0.5%)	03/31/17	4.33	4.40	12.30	03/31/22
	Options	10,000 (1.5%)	08/07/17	9.00	8.87	12.30	08/07/22
Nick French⁽⁸⁾ <i>Lead Director</i>	Options	7,500 (1.1%)	03/31/17	4.33	4.40	12.30	03/31/22
	Options	50,000 (7.5%)	08/07/17	9.00	8.87	12.30	08/07/22
Frank Estergaard⁽⁹⁾ <i>Director</i>	Options	3,750 (0.6%)	03/31/17	4.33	4.40	12.30	03/31/22
	Options	40,000 (6%)	08/07/17	9.00	8.87	12.30	08/07/22
John Kanellitsas⁽¹⁰⁾ <i>Director</i>	Options	3,750 (0.6%)	03/31/17	4.33	4.40	12.30	03/31/22
	Options	40,000 (6%)	08/07/17	9.00	8.87	12.30	08/07/22
Candace MacGibbon⁽¹¹⁾ <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Hykaway⁽¹²⁾ <i>Former Director</i>	Options	3,750 (0.6%)	03/31/17	4.33	4.40	12.30	03/31/22
	Options	40,000 (6%)	08/07/17	9.00	8.87	12.30	08/07/22

Notes:

- (1) Percentages based on 663,750 options outstanding as at December 31, 2017 and 700,000 RSUs outstanding as at December 31, 2017.
- (2) Prices adjusted as required to reflect 3:1 forward split effective April 10, 2017 and 20:1 consolidation effective June 23, 2017.
- (3) As at December 31, 2017, Anthony Milewski held an aggregate of 133,000 options and 400,000 RSUs.
- (4) As at December 31, 2017, Justin Cochrane held an aggregate of 92,500 options and 300,000 RSUs.
- (5) As at December 31, 2017, Cindy Davis held an aggregate of 15,000 options.
- (6) As at December 31, 2017, Carl von Einsiedel held nil options.
- (7) As at December 31, 2017, Kathryn Witter held an aggregate of 10,000 options.; grant of 10,000 options on August 8, 2017 provided in capacity as consultant to the Company and not in relation to acting as former CFO of the Company.
- (8) As at December 31, 2017, Nick French held an aggregate of 57,500 options.
- (9) As at December 31, 2017, Frank Estergaard held an aggregate of 43,750 options.
- (10) As at December 31, 2017, John Kanellitsas held an aggregate of 43,750 options.
- (11) As at December 31, 2017, Candace MacGibbon held nil options.
- (12) As at December 31, 2017 John Hykaway held an aggregate of 43,750 options.

The Company has no other securities based compensation structures other the Option Plan and RSU Plan.

Other than 3,617 options exercised by Ms. Witter and 1,500 options exercised by Mr. von Einsiedel, no compensation securities were exercised by any director or NEO of during the most recently completed eight month period ended December 31, 2017 and fiscal year ended April 30, 2017.

External Management Companies

Each of Mr. Milewski and Ms. Davis provide their services as CEO and CFO of the Company, respectively, through external management companies. See “- Employment, Consulting and Management Agreements” below.

Existing Equity-Based Compensation Plans

As of the date of this Circular, the only stock option plan or other incentive plan the Company currently has in place is a 10% “rolling” stock option plan (the “**Option Plan**”) and restricted share unit plan (“**RSU Plan**”). Other than the Option Plan and the RSU Plan, the Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

The Company intends to replace the Option Plan and the RSU Plan with the LTIP. See “Particulars of Matters to be Acted Upon – Approval of Omnibus Long-Term Incentive Plan”.

The underlying purpose of the Option Plan and RSU Plan are to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan and RSU Plan.

The Option Plan provides that stock options may be granted by the Board or the Compensation and Corporate Governance Committee to employees, officers, directors, management company employees and consultants of the Company as a discretionary payment in consideration of past services to the Company. Among other things, the Option Plan provides that: the aggregate maximum number of options which may be granted under the Plan at any one time is 10% of the number of common shares the Company has outstanding at the time of grant; the term of any options granted under the Plan is fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years; the exercise price of any options granted under the Plan is determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company’s common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSXV to a minimum of \$0.05 per common share; no vesting requirements will apply to options granted thereunder, save for options

granted to an employee performing investor relations activities for the Company; all options are non-assignable and non-transferable; no more than (i) 5% of the issued common shares may be granted to any one individual in any 12 month period; and (ii) no more than 2% of the issued common shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period; if the option holder ceases to be a director of the Company (other than by reason of death), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan; if the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Company (other than by reason of death), then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Plan; disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued common shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued common shares; and options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

The RSU Plan provides that RSUs may be granted by the Board or the Compensation and Corporate Governance Committee to employees, officers, directors, management company employees and consultants of the Company as a discretionary payment in consideration of past services to the Company. Among other things, the maximum aggregate number of Common Shares: (a) which may be reserved for issuance under the RSU Plan together with all of the Company's other previously established or proposed share compensation arrangements (including the Option Plan) shall not exceed 10% of the issued and outstanding Common Shares from time to time; (b) which may be reserved for issuance to any one eligible person ("**Participant**") under the RSU Plan together with all of the Company's other previously established or proposed share compensation arrangements (including the Option Plan) shall not exceed 5% of the issued and outstanding Common Shares on the grant date (on a non-diluted basis); and (c) the aggregate number of options granted under the Option Plan and awards granted under the RSU Plan to any one eligible consultant in any 12 month period must not exceed 2% of the issued Common Shares calculated at the first such grant date. Each RSU entitles the holder thereof to receive one fully paid Common Share without payment of additional consideration on the later of: (i) the end of a restricted period of time wherein a RSU cannot be exercised as determined by the Compensation and Corporate Governance Committee and the Board; and (ii) a date determined by the eligible Participant that is after the restricted period and before the Participant's retirement date or termination date.

TSXV policies require an equity incentive plan to be approved annually at its general shareholders' meeting. The Option Plan was last approved by shareholders at the Company's annual general meeting held May 14, 2017. The RSU Plan was approved by the Board; however, it has been determined by the Board to proceed with approval of the LTIP in lieu of the standalone RSU Plan, and accordingly, if the LTIP is approved by Shareholders, all RSUs currently outstanding shall be governed by the terms of the LTIP. As of the end of the most recently completed fiscal year on December 31, 2017 there were 663,750 options outstanding (exercisable at a weighted average exercise price of \$7.92 per Common Share) and 700,000 RSUs outstanding.

Employment, Consulting and Management Agreements

Anthony Milewski

The Company has entered into an amended and restated consulting agreement (the “**BV Consulting Agreement**”) with Black Vulcan Resources LLC (“**Black Vulcan**”) dated August 8, 2017, whereby the services of Mr. Milewski will be made available as Chairman and Chief Executive Officer of the Company, for which a base fee of \$285,000 per year will be paid. Black Vulcan is eligible for a discretionary annual bonus based on Mr. Milewski achieving targets and milestones as determined by the Compensation and Corporate Governance Committee. In addition, Mr. Milewski is eligible to participate in the Option Plan and RSU Plan.

In the event that the BV Consulting Agreement is terminated by the Company without cause or within ninety (90) days of a “change of control” of the Company, or Black Vulcan elects to terminate the BV Consulting Agreement by giving written notice to the Company within ninety (90) days of becoming aware of such change of control the Company shall provide to Black Vulcan: (a) an amount equal to three (3) times the base fee of Black Vulcan at such time, such payment to be made within thirty (30) days of termination; (b) the bonus, if any, earned in the year preceding the year of termination to the extent that the bonus has not already been paid; (c) any bonus for the year of termination, determined in accordance with the terms of the relevant plan; in addition, the Company shall pay to Black Vulcan an amount equal to three (3) times the average bonus percentage granted to Black Vulcan for the two (2) most recent annual bonuses approved by the Board for Black Vulcan, multiplied by Black Vulcan’s current base fee immediately prior to termination; and (d) all equity or equity-based compensation received by Black Vulcan and held immediately prior to termination shall fully vest, if not already vested, and shall be exercisable by Black Vulcan following such termination in accordance with their terms.

For purposes of the foregoing, “**change of control**” means: (a) consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another Company or other entity, as a result of which the holders of shares prior to the completion of the transaction hold less than fifty percent (50%) of the outstanding shares of the successor corporation after completion of the transaction; (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its subsidiaries which have an aggregate book value greater than fifty percent (50%) of the book value of the assets, rights and properties of the Company and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries; (c) a resolution is adopted to wind-up, dissolve or liquidate the Company for a reason other than bankruptcy or insolvency of the Company; (d) any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of voting securities of the Company which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the *Securities Act* (Ontario)) to cast or to direct the casting of twenty percent (20%) or more of the votes attached to all of the Company’s outstanding voting securities which may be cast to elect directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors); (e) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another Company or other entity, the nominees named in the most recent management information circular of the Company for election to the Board

shall not constitute a majority of the Board; or (f) the Board adopts a resolution to the effect that a “change of control” as defined above has occurred or is imminent.

Justin Cochrane

The Company has entered into an employment agreement dated August 8, 2017 whereby the services of Mr. Cochrane as President and COO of the Company are to be provided for a base salary of \$240,000 per year. Mr. Cochrane is eligible for a discretionary annual bonus based on achieving targets and milestones as determined by the Compensation and Corporate Governance Committee. In addition, Mr. Cochrane is eligible to participate in the Option Plan and the RSU Plan.

In the event that the employment of Mr. Cochrane is terminated by the Company without cause or within ninety (90) days of a “change of control” of the Company, or Mr. Cochrane elects to terminate his employment by giving written notice to the Company within ninety (90) days of becoming aware of such change of control the Company shall, in lieu of notice and any other remuneration, compensation or benefits (including any severance pay or other termination pay) provide to Mr. Cochrane: (a) an amount equal to three (3) times the base salary of Mr. Cochrane at such time, such payment to be made within thirty (30) days of termination; (b) the bonus, if any, earned in the year preceding the year of termination, to the extent that the bonus has not already been paid; (c) any bonus for the year of termination, determined in accordance with the terms of the relevant plan; in addition, the Company shall pay to Mr. Cochrane an amount equal to three (3) times the average bonus percentage granted to Mr. Cochrane for the two (2) most recent annual bonuses approved by the Board for Mr. Cochrane, multiplied by Mr. Cochrane’s current base salary immediately prior to termination; (d) all equity or equity-based compensation received by Mr. Cochrane and held immediately prior to termination shall fully vest, if not already vested, and shall be exercisable by Mr. Cochrane following such termination in accordance with their terms; and (e) continuation of benefits for a period of three (3) years following such termination, to the extent permitted by any third party insurer; provided that, if the Company cannot continue any particular benefit pursuant to the terms of the relevant plan or policy then the Company’s obligations shall be to pay to Mr. Cochrane an amount equal to the Company’s cost of the provision of the benefits for the remaining duration of the three (3) year period if the continuation of benefits had been permitted.

For purposes of Mr. Cochrane’s employment agreement, “change of control” has the same meaning as set forth above in respect of the BV Consulting Agreement.

Cindy Davis

The Company has also entered into a consulting agreement with Marrelli Support Services Inc. and Cindy Davis dated April 18, 2017, whereby the Company pays an annual fee of \$30,000 for the services of Ms. Davis as CFO of the Company. Ms. Davis is eligible to participate in the Option Plan.

Pension disclosure

The Company does not provide any form of pension to any of its directors or Named Executive Officers.

Indebtedness of Directors and Senior Officers

None of the directors or senior officers of the Company or any associates or affiliates of the Company are or have been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

Corporate Governance

Corporate Governance Overview

In June 2005, National Policy 58-201 - *Corporate Governance Guidelines* (the “**Governance Guidelines**”) and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the “**Governance Disclosure Rule**”) were adopted by the securities regulatory authorities in Canada. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of Board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing Directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and Shareholders. The Company’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its responsibilities directly and through the Audit Committee at regularly scheduled meetings or as required. The Board meets at least once every quarter to review the Company’s business operations, corporate governance matters, financial results and other items. The frequency of meetings may be increased, and the nature of the agenda items may be changed, depending upon the state of the Company’s affairs and in light of opportunities or risks which the Company faces. The Directors are kept informed of the Company’s operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

Board of Directors

Role of the Board

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company and to act with a view towards the best interests of the Company. The Board is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Company;
- an annual strategic plan for the Company which takes into consideration, among other things, the risks and opportunities of the Company’s business;
- identifying the principal risks of the Company’s business and ensuring the implementation of appropriate systems to manage these risks;
- annual capital and operating budgets which support the Company’s ability to meet its strategic objectives;
- material acquisitions and divestitures;
- succession planning, including appointing, training and monitoring the development of senior management;
- a communications policy for the Company to facilitate communications with investors and other interested parties;

- a reporting system which accurately measures the Company's performance against its business plan; and
- the integrity of the Company's internal control and management information systems.

The operations of the Company do not support a large Board and the Board has determined that, with the proposed election of new Nominee, Philip Williams, the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members.

Independence of the Board

The Company's Board is currently composed of six Directors: Anthony Milewski, Justin Cochrane, Nick French, John Kanellitsas, Frank Estergaard and Candace MacGibbon. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by Directors independent of management.

The Governance Guidelines suggest that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest, business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, The Governance Guidelines suggests that the board of directors should include a number of directors who do not have interests in either the company or any such significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

The independent Directors may meet separately from the non-independent Directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent Directors. Anthony Milewski, a non-independent Director, acts as the chairman with respect to the conduct of Board meetings. Given the relative size of the Company's activities, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management. Kindly refer to the below independence chart:

Director/Nominee	Independent	Reason, if not independent
Anthony Milewski	No	Chairman and CEO of the Company
Justin Cochrane	No	President and COO of the Company
Nick French	Yes	
Frank Estergaard	Yes	
John Kanellitsas	Yes	
Candace MacGibbon	Yes	

Philip Williams	Yes	
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The Board has considered the relationships of each of the Directors to the Company and determined that four of the six members of the current Board, all of whom are Nominees, qualify as independent Directors. The Board reviews independence in light of the requirements of the Governance Guidelines and the Governance Disclosure Rule. None of the independent Directors has a material relationship with the Company which could impact their ability to make independent decisions.

During the year ended December 31, 2017, the independent Directors were afforded opportunities to hold formal and informal in camera session, during which sessions non-independent Directors/members of management are excused. The Board may excuse members of management and conflicted Directors from all or a portion of any meeting where a conflict or potential conflict of interest arises or where otherwise deemed appropriate.

Board Mandate

The Board, either directly or through its committees, is responsible for the supervision of management of the Company's business and affairs with the objective of enhancing Shareholder value. A copy of the mandate of the Board of Directors is attached to this Circular as Schedule "C".

Position Descriptions

The Board has not, as of the date of this Circular, developed written position descriptions for the chairman with respect to the conduct of Board meetings, or for the chair of any committees. The chairman's role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The CEO's general roles and responsibilities are commensurate with the position of CEO of a company comparable in business and size to the Company including overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

Participation of Directors in Other Reporting Issuers

The participation of the Directors in other reporting issuers is described in each Director profile provided under "Particulars of Matters to be Acted Upon - Election of Directors" in this Circular. The Corporate Governance and Nominating Committee has reviewed and assessed the number of outside directorships and executive positions held by the Company's Directors and has considered whether each Director in question will be reasonably able to meet his/her duties in light of the responsibilities associated with fulfilling his/her duties as a Director of the Company as well as whether conflicts of interest will arise on as a result of any outside directorships or outside executive positions. Having regard to their qualifications, attendance record and valuable contribution as members of the Company's Board/committees, the Board has determined that none of the proposed Nominees for Director are over boarded as a result of their outside directorships.

Orientation and Continuing Education

The Compensation and Corporate Governance Committee is responsible for the orientation and continuing education of the members of the Board. As new Directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties.

The Company encourages Directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each Director of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a Director.

Ethical Business Conduct

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of the Company, the Board has adopted a code of business conduct and ethics, a copy of which will be made available under the Company's profile at www.sedar.com. Any reports of variance from the code of business conduct and ethics are to be reported to the Board.

The Board monitors compliance with the code of business conduct and ethics through reports of management to the Board and requires that all Directors, officers and designated employees provide an annual certification of compliance with the code. A Director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the Director becomes aware of it. In situations where a Director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such Director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the BCBCA regarding conflicts of interest.

The Board intends to adopt a whistleblower policy to provide employees, clients and contractors with the ability to report, on a confidential and anonymous basis, any violation within the Company including (but not limited to), criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, clients, contractors, officers and Directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

Board Assessments

To date, a formal process of assessing the Board and its committees, or the independent Directors has not been implemented, and the Board has satisfied itself that the Board, its committees and individual Directors are performing effectively through informal discussions. The Compensation and Corporate Governance Committee continues to review proposed procedures to evaluate the performance and effectiveness of the Board, its committees and the contributions of individual Directors.

The Compensation and Corporate Governance Committee will also continue to take reasonable steps to evaluate and assess, on an annual basis, Directors' performance and the effectiveness of the Board, its committees, the individual Directors, the Chair and the committee chairs. The assessment will address, among other things, individual Director independence, individual Director and overall Board skills and individual Director financial literacy. The Board will continue to receive and consider the recommendations from the Compensation and Corporate Governance Committee regarding the results of such evaluations.

Majority Voting Policy

The Company has adopted a majority voting policy which requires that any nominee for Director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the chair of the Board following the meeting of Shareholders at which the Directors were elected. This policy applies only to uncontested elections, meaning elections where the number of nominees for Director is equal to the number of Directors being elected. The Compensation and Corporate Governance Committee and the Board shall consider the resignation, and whether or not it should be accepted. In doing so, the Compensation and Corporate Governance Committee may consider any stated reasons as to why Shareholders withheld votes from the election of the relevant Director, continued compliance with applicable corporate and securities laws, if the Director is a key member of an established, active special committee which has a defined term or mandate and accepting the resignation of such Director would jeopardize the achievement of the special committee's mandate, and any other factors that the members of the Compensation and Corporate Governance Committee consider relevant. The nominee shall not participate in any committee or Board deliberations pertaining to the consideration of the resignation. Resignations are expected to be promptly accepted except in situations where extraordinary circumstances warrant the applicable Director continuing to serve as a member of the Board. The Board shall disclose its election decision, via press release, within 90 days of the applicable meeting at which Directors were elected. If a resignation is accepted, the Board may appoint a new Director to fill the vacancy created by the resignation. If a Director nominee that is an employee of the Company receives a greater number of votes withheld than in favour during an uncontested election of Directors and is required to tender his or her resignation as Director pursuant to the majority voting policy, then to the extent that no events or circumstances have otherwise occurred that would be grounds for termination for cause, such individual may opt to be deemed to have been terminated from his or her employment without cause and be entitled to the rights and benefits arising under the terms of his or her employment agreement or that may otherwise arise pursuant to applicable laws.

Director Term Limits and Board Renewal

The Board has not adopted Director term limits or other mechanisms of board renewal because:

- having long standing Directors on its Board does not negatively impact board effectiveness and instead contributes to boardroom dynamics such that the Company has for many years had a consistently high performing Board;
- the imposition of Director term limits implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination;
- it is important to retain Directors who hold significant investments in the Company, such that their interests are aligned with the interests of the Shareholders;
- it is important to ensure that Directors with significant and unique business experience in the Company's industry are retained;

- Directors with the level of understanding of the Company's business, history and culture acquired through long service on the Board provide additional value; and
- term limits have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and thereby may provide an increasing contribution to the Board as a whole.

Board and Executive Leadership

Role of the CEO

The CEO has overall responsibility for providing leadership and vision to develop business plans that meet the Company's corporate objectives and day-to-day management of the operations of the Company. The CEO is tasked with ensuring that the Company is effectively carrying out the strategic plan approved by the Board, developing and monitoring key business risks and ensuring that the Company has appropriate policies and procedures in place to ensure the accuracy, completeness, integrity and appropriate disclosure of the financial statements and other financial information of the Company and, together with the CFO, he is responsible for establishing and maintaining appropriate internal controls over financial reporting, disclosure controls and procedures and, as required, processes for the certification of public disclosure documents. The CEO is the Company's principal spokesperson to the media, investors and the public.

Role of the Lead Director

The Board appointed Nick French, an independent member of the Board, as the Lead Director of the Company in June 2017 upon completion of the Company's long form prospectus offering in June 2017. Mr. French's primary roles are to chair all meetings of the Board and Shareholders and to manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities. These responsibilities include setting the meeting agendas, ensuring that the Board works together as a cohesive team with open communication and assisting the Board, the committees of the Board, individual Directors and the Company's senior officers in understanding and discharging their obligations under the Company's system of corporate governance.

Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

Nomination of Directors

The Company does not have a stand-alone nomination committee. The Corporate Governance and Nominating Committee has responsibility for leading the process for identifying and recruiting potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

Compensation of Directors and Officers

Please refer to the comprehensive discussion contained within the “Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation” section of this Circular for information regarding compensation of the Company’s NEOs.

As previously discussed in this Circular, the Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert. For specific details regarding compensation of the Company’s Directors, please refer to the “Executive Compensation — Compensation Discussion and Analysis and Oversight of Compensation – Summary of Compensation” section of this Circular.

Diversity Policy and Representation of Women on the Board

The Company is committed to creating and maintaining a culture of workplace diversity. Management of the Company will promote a work environment that values and utilizes the contributions of women and men, equally, with a variety of backgrounds, experiences and perspectives. The Board will monitor the Company’s performance in meeting the standards outlined in the Diversity Policy, which will include an annual review of any diversity initiatives established by management and the Board and the progress in achieving them. The Board monitors the effectiveness of the Diversity Policy through ongoing discussions with management and review of diversity within the Company at both the Board and employee level.

As at the date of this Circular, there is one female director on the Board (16%) and the Company’s CFO is female. The Company has not adopted formal targets regarding the number of women to be elected to the Board or to be appointed to executive officer positions and the Company does not have written policies regarding the identification and nomination of female Director candidates for election to the Board.

The Compensation and Corporate Governance Committee is focused on finding the most qualified individuals available with skills and experience that will complement the Board and assist it in providing strong stewardship for the Company, with gender being only one of many factors taken into consideration when evaluating individuals as potential Directors. The Company is similarly focused on seeking the most qualified individuals with skills and experience that will be of greatest benefit to the Company, with gender being only one of many factors taken into consideration when evaluating individuals for senior management positions. This approach is believed to be in the best interests of the Company and its stakeholders.

Committee Information

The Company has two committees at present, being the Audit Committee and the Compensation & Corporate Governance Committee. In addition, the Board intends to form a standalone Nomination Committee during 2018. As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of Directors, the Board has determined that any other additional standing committees are not necessary at this stage of the Company's development.

Audit Committee

Audit Committee Charter

The charter of the Audit Committee is attached to the Company's Annual Information Form dated May 16, 2018 and filed on SEDAR at www.sedar.com.

Composition of the Audit Committee and Independence

The Audit Committee is presently comprised of Frank Estergaard (Chair), John Kanellitsas and Candace MacGibbon and is expected to be comprised of Frank Estergaard (Chair), Candace MacGibbon and Philip Williams after the Meeting. All members of the Audit Committee are independent Directors of the Company within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”). All members of the Audit Committee are financially literate. The members of the Audit Committee are elected by the Board at its first meeting following each annual Shareholders' meeting to serve one year terms and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

The members of the Audit Committee have the following education and experience that is relevant to the performance of his or her responsibilities as an audit committee member:

Frank Estergaard (Chairman). Mr. Estergaard is a CPA, CA and a retired partner of KPMG. Over a 38 year career with KPMG, he provided audit services to clients in a wide range of industries, including mineral exploration and high technology across Canada and internationally. He also served on the firm's Management Committee and Partnership Board. Following his retirement from KPMG, Mr. Estergaard has served as a Director and Chairman of the audit committee for Fission Uranium Corp. (TSX:FCU), Fission 3.0 (TSX-V:FUU) and QHR Technologies Inc. (TSX-V:QHR), CFO for Metalex Ventures Ltd. (TSX-V:MTX) and CFO and/or Director for several private entities, including Rackforce Networks Inc. Mr. Estergaard holds a B.Com from the University of British Columbia and was granted the designation of a Chartered Accountant in British Columbia in 1965 and in Ontario in 1989.

John Kanellitsas. Mr. Kanellitsas is the Vice Chairman and President of Lithium Americas Corp. (TSX:LAC). In this role he has provided strategic, financial and operational leadership that has built Lithium Americas Corp. into an emerging, publicly listed lithium company. Previous to his current role Mr. Kanellitsas served as the CEO of Lithium Americas Corp until its merger with Western Lithium USA Corporation in September 2015. Mr. Kanellitsas has an extensive finance background having spent over 25 years in investment banking and fund management. He was a founder and partner of Geologic Resource Partners, LLC and served as its Chief Operating Officer from 2004 until 2014. Prior thereto, he was employed by Sun Valley Gold, LLC and Morgan Stanley & Co. in New York and

San Francisco. Mr. Kanellitsas has a Masters of Business Administration from the University of California in Los Angeles and a BS degree in Mechanical Engineering from Michigan State University.

Candace MacGibbon. Ms. MacGibbon is a CPA, CA with over 25 years of experience in the mining sector and capital markets. She is currently the CEO of INV Metals Inc. (TSX:INV), a Canadian mineral resource company focused on the development and exploration of the Loma Larga gold property in Ecuador. Ms. MacGibbon has a deep understanding of the capital markets as a result of her previous employment as a global mining institutional salesperson with RBC Capital Markets and in base metals research as a mining associate with BMO Capital Markets. Ms. MacGibbon is a Chartered Professional Accountant and her financial and accounting experience includes her previous role as CFO of INV Metals Inc., as well as her prior employment with Deloitte LLP. Ms. MacGibbon is a graduate of the University of Western Ontario and Sir Wilfred Laurier University.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time has the Company relied on any exemption contained in NI 52-110, other than that which exempts “venture issuers” from the requirements regarding the composition of the Audit Committee and certain disclosure obligations.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of the auditor to provided non-audit services (see “External Auditor Service Fees (By Category)” below). Rather, it determines if the auditors can or will provide such service and seeks competitive pricing quotes.

External Auditor Service Fees (By Category)

The aggregate fees billed by our external auditors for audit and other fees during the past two most recently completed financial years ended December 31, 2017 and April 30, 2017 are as follows:

Period Ended	Audit Fees	Audit Related Fees¹	Tax Fees²	All Other Fees³
December 31, 2017	\$87,090	\$17,120	\$9,411	\$32,300
April 30, 2017	\$10,000	\$nil	\$500	\$nil

- Notes:
- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.
 - (2) Fees charged for tax compliance, tax advice and tax planning services.
 - (3) Fees for services other than disclosed in any other column.

Compensation and Corporate Governance Committee

The members of the Compensation and Corporate Governance Committee is presently comprised of Nick French (Chair), Frank Estergaard, and John Kanellitsas. Each of the members of the Compensation and Corporate Governance Committee is independent within the meaning of the Corporate Governance Rule.

The Compensation and Corporate Governance Committee's mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of corporate governance, compensation issues related to the Company's officers and employees, compensation and other issues relating to the Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Compensation and Corporate Governance Committee's mandate includes:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;
- reviewing and making recommendations to the Board on the Company's general compensation philosophy and overseeing the development and administration of compensation programs;
- overseeing the preparation of and recommending to the Board any required disclosures of governance practices to be included in any disclosure document of the Company, as required;
- reviewing the senior management and Board compensation policies and/or practices followed by the Company and seeking to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which results in the effective development and execution of a Board-approved strategy;
- seeking to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect industry-competitive cash composition relative to corporate performance and considering individual performance in the context of the overall performance of the Company;
- establishing the milestones and criteria for the payment of bonuses;
- developing, for review and approval of the Board, a written position description for the CEO;
- annually evaluating the Company's and the senior executives' performance by the degree that the Company's strategy (as proposed and justified by management and modified and approved by the Board) and value growth performance (as compared to its peers including other Canadian public companies of a similar size and other Canadian mining or oilfield services companies of a similar size in general and also the Canadian mining or oilfield services companies with the most similar scope of business) differentiate;
- annually reviewing and recommending to the Board an evaluation of the performance of senior executives and providing recommendations for annual compensation based on such evaluation and other appropriate factors;
- administering any share-based compensation plan and such other compensation plans or structures for non-senior executive employees as are adopted by the Company from time to time in accordance with the terms of the applicable plan or structure, including the recommendation to the Board of the grant of options or other compensation in accordance with the terms of the applicable plan or structure;
- regularly reviewing all incentive compensation plans and share-based plans and, in its discretion, making recommendations to the Board for consideration;
- reviewing employee benefit plans and reports and, in its discretion, making recommendations to the Board for consideration;
- identifying any compensation plans or practices that could encourage senior executives or other individuals to take inappropriate or excessive risks;
- identifying any other risks that may arise from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company;
- overseeing and approving a report prepared by management on senior executive compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to applicable securities laws;

- reviewing in advance all proposed executive compensation disclosure;
- reviewing and recommending to the Board the compensation of the Board members, including annual retainer, meeting fees, share-based compensation and other benefits conferred upon the Board members;
- reviewing annually the effectiveness of the CEO and, in consultation with the CEO, other senior management and other executive officers, including their contributions, performance and qualifications;
- considering such other human resource matters as are delegated to the Compensation and Corporate Governance Committee by the Board, for review or recommendation, as considered appropriate from time to time;
- reviewing, on a periodic basis, the size and composition of the Board, making recommendations as to the number of independent directors and advising the Board on filling vacancies;
- facilitating the independent functioning of the Board, including by assessing which Directors are independent Directors and which independent Directors serve the Board as a matter of duty to a third-party and identifying areas of conflict of interest between the Company and any such third parties, and seeking to maintain an effective relationship between the Board and senior management of the Company;
- reviewing, annually, the mandates of the Board and its committees and the position descriptions for the Chair of the Board and the Chair of each committee and recommending to the Board such amendments to those mandates and position descriptions as it believes are necessary or desirable;
- assessing, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual Directors, including making recommendations where appropriate that a sitting Director be removed or not be re-appointed;
- reviewing, on a periodic basis, the Company's code of business conduct and ethics, recommending to the Board any changes thereto as considered appropriate from time to time, ensuring that management has established a system to monitor compliance with the code of business conduct and ethics, and reviewing management's monitoring of the Company's compliance with the code of business conduct and ethics;
- establishing a process for direct communications with Shareholders and other stakeholders, including through any whistleblower policy;
- developing processes to address any conflict of interest and to periodically review such processes;
- reviewing, on a periodic basis, senior management succession plans;
- reviewing and submitting to the Board, as a whole, recommendations concerning executive and board compensation, compensation plan matters and corporate governance; and
- considering, in recommending to the Board suitable candidates to be nominated for election as Directors at the next annual meeting of Shareholders: (a) the competencies and skills considered necessary for the Board, as a whole, to possess, (b) the competencies and skills of the existing members of the Board, (c) the needs of the Board and the competencies and skills each new nominee will bring to the boardroom, and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

Consultants may be periodically retained to assist the Compensation and Corporate Governance Committee in fulfilling its responsibilities.

2018 Committee Changes

The Company intends to form a standalone Corporate Governance Committee in 2018 to be comprised of Candace MacGibbon (Chair), Justin Cochrane and Philip Williams. The current members of the Compensation and Corporate Governance Committee will continue on as members of a standalone Compensation Committee, being Nick French (Chair), Frank Estergaard, and John Kanellitsas.

In addition, the Company intends to form a Nominating Committee in 2018 to be comprised of Philip Williams (Chair), Anthony Milewski and Candace MacGibbon. The Nominating Committee will take over responsibility for leading the process for identifying and recruiting potential Board candidates (as described more fully above) from the existing Compensation and Corporate Governance Committee.

Additional Information

Indebtedness of Directors, Executive Officers and Others

None of the Company's Directors, Nominees for Director, executive officers or employees, or former Directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the year ended December 31, 2017, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of any of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

Interest of Informed Persons in Material Transactions

Other than as set forth in this Circular and except for the fact that certain Directors and officers are Shareholders, no informed person (as defined in NI 51-102) of the Company or proposed Director of the Company and no associate or affiliate of the foregoing persons has or has had 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 in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than the election of Directors or the appointment of auditors, no: (a) person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) proposed Nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Management Contracts

Other than as described above under the heading "Executive Compensation – Compensation Discussion and Analysis and Oversight of Compensation - Employment, Consulting and Management Agreements", no management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the Directors or executive officers of the Company or its subsidiaries.

Other Information

Additional information relating to the Company can be found at the Company's website at www.cobalt27.com and on SEDAR at www.sedar.com. Financial information is provided in the Company's audited consolidated financial statements and related MD&A for each of its most recently completed eight month period ended December 31, 2017 and fiscal year ended April 30, 2017 which are filed on SEDAR. Shareholders may contact the Company by phone at 1+647-846-7765 or by e-mail at info@cobalt27.com to request copies of these documents.

Directors' Approval

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

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) *Anthony Milewski*
Chief Executive Officer

July 16, 2018
Toronto, Ontario

SCHEDULE "A"
OMNIBUS LONG-TERM INCENTIVE PLAN

See attached.

COBALT 27 CAPITAL CORP.

OMNIBUS LONG-TERM INCENTIVE PLAN

August 14, 2018

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**COBALT 27 CAPITAL CORP.
OMNIBUS LONG-TERM INCENTIVE PLAN**

Cobalt 27 Capital Corp. (the “**Corporation**”) hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and management company employees providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation’s long-term results.

ARTICLE 1—DEFINITIONS

Section 1.1 Definitions.

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

“**Affiliates**” has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

“**Associate**”, where used to indicate a relationship with a Participant, means (i) any partner of that Participant and (ii) the spouse of that Participant and that Participant’s children, as well as that Participant’s relatives and that Participant’s spouse’s relatives, if they share that Participant’s residence;

“**Awards**” means Options, RSUs and PSUs granted to a Participant pursuant to the terms of the Plan;

“**Award Agreement**” means an Option Agreement, RSU Agreement, PSU Agreement, or an Employment Agreement, as the context requires;

“**Black-Out Period**” means the period of time required by applicable law when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by Insiders or other specified persons;

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

“**Broker**” has the meaning ascribed thereto in Section 7.4(2) hereof;

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

“**Cancellation**” has the meaning ascribed thereto in Section 2.5(1) hereof;

“**Cash Equivalent**” means in the case of Share Units, the amount of money equal to the Market Value multiplied by the number of vested Share Units in the Participant’s Account, net of any applicable taxes in accordance with Section 7.4, on the Share Unit Settlement Date;

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

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans; or (B) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;
- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

“Code of Ethics” means any code of ethics adopted by the Corporation, as modified from time to time;

“Corporation” means Cobalt 27 Capital Corp., a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

“Dividend Share Units” has the meaning ascribed thereto in Section 5.2 hereof;

“Eligible Participants” has the meaning ascribed thereto in Section 2.4(1) hereof;

“Employment Agreement” means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

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

“Exercise Price” has the meaning ascribed thereto in Section 3.3 hereof;

“Expiry Date” has the meaning ascribed thereto in Section 3.4 hereof;

“Insider” has the meaning attributed thereto in the Toronto Stock Exchange Company Manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;

“Investor Relations Activities” has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;

“Market Value” means at any date when the market value of Shares of the Corporation is to be determined, the three-day volume weighted average trading price of the Shares on the Trading Day prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

“Non-Employee Directors” means members of the Board who, at the time of execution of an Award Agreement, if applicable, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, consultants or service providers providing ongoing services to the Corporation or its Affiliates;

“Option” means an option granted to the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, but subject to the provisions hereof;

“Option Agreement” means a written notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix “A”, or such other form as the Board may approve from time to time;

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

“Participant’s Account” means an account maintained to reflect each Participant’s participation in RSUs and/or PSUs under the Plan;

“Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

“Performance Period” means the period determined by the Board pursuant to Section 4.4 hereof;

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

“Plan” means this Omnibus Long-Term Incentive Plan, as amended and restated from time to time;

“PSU” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“PSU Agreement” means a written notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof, substantially in the form of Appendix “D”, or such other form as the Board may approve from time to time;

“Restriction Period” means the period determined by the Board pursuant to Section 4.3 hereof;

“RSU” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“RSU Agreement” means a written notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix “C”, or such other form as the Board may approve from time to time;

“Share Compensation Arrangement” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more employees, directors, officers or insiders of the Corporation or a Subsidiary. For greater certainty, a “Share Compensation Arrangement” does not include a security based compensation arrangement used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Corporation;

“Shares” means the common shares in the capital of the Corporation;

“Share Unit” means a RSU or PSU, as the context requires;

“Share Unit Settlement Date” has the meaning determined in Section 4.6(1)(a);

“Share Unit Settlement Notice” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs or PSUs;

“Share Unit Vesting Determination Date” has the meaning described thereto in Section 4.5 hereof;

"Stock Exchange" means the TSXV or the TSX, as applicable from time to time;

"Subsidiary" means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

"Successor Corporation" has the meaning ascribed thereto in Section 6.1(3) hereof;

"Surrender" has the meaning ascribed thereto in Section 3.6(3);

"Surrender Notice" has the meaning ascribed thereto in Section 3.6(3);

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

"Termination Date" means the date on which a Participant ceases to be an Eligible Participant;

"Trading Day" means any day on which the Stock Exchange is opened for trading;

"TSX" means the Toronto Stock Exchange;

"TSXV" means the TSX Venture Exchange; and

"U.S. Participant" means any Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code or for whom an Award is otherwise subject to taxation under the Code.

ARTICLE 2—PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation's ability to attract, retain and motivate Eligible Participants.

Section 2.2 Implementation and Administration of the Plan.

- (1) Subject to Section 2.3, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All

determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.

- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Awards granted pursuant to this Plan.
- (4) The day-to-day administration of the Plan may be delegated to such committee of the Board and/or such officers and employees of the Corporation as the Board determines from time to time.
- (5) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, applicable to the exercise of an Award.

Section 2.3 Delegation to Committee.

Despite Section 2.2 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

Section 2.4 Eligible Participants.

- (1) The Persons who shall be eligible to receive Awards ("**Eligible Participants**") shall be the directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a Subsidiary, providing ongoing services to the Corporation and its Affiliates.
- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship, employment or appointment with the Corporation.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation.

Section 2.5 Shares Subject to the Plan.

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan shall not exceed ten percent (10%) of the total issued and outstanding Shares from time to time or such other number as may be approved by the Stock Exchange and the shareholders of the Corporation from time to time. For the purposes of this Section 2.5(1), in the event that the Corporation cancels or purchases to cancel any of its issued and outstanding Shares ("**Cancellation**") and as a result of such Cancellation the Corporation exceeds the limit set out in this Section 2.5(1), no approval of the Corporation's shareholders will be required for the issuance of Shares on the exercise of any Options which were granted prior to such Cancellation.
- (2) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued

pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares.

Section 2.6 Participation Limits.

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan to the Non-Employee Directors shall not exceed one percent (1%) of the total issued and outstanding Shares from time to time. For greater certainty, the Shares reserved and available for grant and issuance to the Non-Employee Directors, shall be included in the ten percent (10%) of the total issued and outstanding Shares from time to time generally available for grant and issuance pursuant Section 2.5(1). The total Market Value of annual Award(s) to any individual Non-Employee Directors under the Plan shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of Options.
- (2) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares (i) issued to Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares from time to time. Any Awards granted pursuant to the Plan, prior to the Participant becoming an Insider, shall be excluded for the purposes of the limits set out in this Section 2.6(2).

Section 2.7 Additional TSXV Limits.

- (1) In addition to the requirements in Section 2.5 and Section 2.6, subject to Section 4.2(7), and notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:
 - (a) the total number of Shares which may be reserved for issuance to any one Eligible Participant under the Plan together with all of the Corporation's other previously established or proposed share compensation arrangements shall not exceed 5% of the issued and outstanding Shares on the grant date (on a non-diluted basis);
 - (b) the aggregate number of Awards to any one Eligible Participant that is a consultant of the Corporation in any 12 month period must not exceed 2% of the issued Shares calculated at the first such grant date;
 - (c) the aggregate number of Options to all persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12-month period calculated at the first such grant date (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities);
 - (d) Options granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more the 25% of the Options vesting in any three (3) month period notwithstanding any other provision of this Plan;
 - (e) the aggregate number of Share Units to any one Eligible Participant must not exceed (i) 1% of the issued Shares at the each such grant date and (ii) 2% of the issued Shares in any 12-month period calculated at the each such grant date; and

- (f) the aggregate number of Share Units issuable to all Eligible Participants under the Plan must not exceed 4,150,000.
- (2) At all times when the Corporation is listed on the TSXV, the Corporation shall seek annual TSXV and shareholder approval for this rolling Plan in conformity with TSXV Policy 4.4.

ARTICLE 3—OPTIONS

Section 3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, subject to the provisions hereof.

Section 3.2 Option Awards.

- (1) The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) determine the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Exercise Price**”), (iv) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (v) determine the Expiry Date, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Stock Exchange.
- (2) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a Option Agreement, each Option shall vest as to 1/3 on the first anniversary date of the grant, 1/3 on the second anniversary of the date of grant, and 1/3 on the third anniversary of the date of grant.

Section 3.3 Exercise Price.

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

Section 3.4 Expiry Date; Blackout Period.

Subject to Section 6.2, each Option must be exercised no later than ten (10) years after the date the Option is granted or such shorter period as set out in the Participant's Option Agreement, at which time such Option will expire (the “**Expiry Date**”). Notwithstanding any other provision of this Plan, each Option that would expire during or within ten (10) Business Days immediately following a Black-Out Period shall expire on the date that is ten (10) Business Days immediately following the expiration of the Black-Out Period. Where an Option will expire on a date that falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the date such Option will expire will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days after the Black-Out Period that the Option expires.

Section 3.5 Exercise of Options.

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (2) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board may determine in its sole discretion.
- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 6.1, such Participant will only have the right to acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 3.6 Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering an Exercise Notice to the Corporation in the form and manner determined by the Board from time to time, together with a bank draft, certified cheque or other form of payment acceptable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.
- (2) Subject to Section 3.6(5), pursuant to the Exercise Notice and subject to the approval of the Board, a Participant may choose to undertake a “cashless exercise” with the assistance of a broker in order to facilitate the exercise of such Participant’s Options. The “cashless exercise” procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice and any applicable tax withholdings. Pursuant to the Exercise Notice, the Participant may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the Exercise Price and any applicable tax withholdings, promptly following which the Corporation shall issue the Shares underlying the number of Options as provided for in the Exercise Notice.
- (3) Subject to Section 3.6(5), in addition, in lieu of exercising any vested Option in the manner described in this Section 3.6(1) or Section 3.6(2), and pursuant to the terms of this Article 3, a Participant may, by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Corporate Secretary of the Corporation, substantially in the form of Schedule “B” to the Option Agreement (a “**Surrender Notice**”), elect to receive that number of Shares calculated using the following formula:

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

Where:

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be Surrendered

A = the Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

- (4) Subject to Section 3.6(5), upon the exercise of an Option pursuant to Section 3.6(1) or Section 3.6(3), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant such number of Shares as the Participant shall have then paid for and as are specified in such Exercise Notice.
- (5) Notwithstanding any other provision of this Plan, the “cashless exercise” provisions contained in each of Section 3.6(2), Section 3.6(3) and Section 3.6(4) shall not apply at all times when the Corporation is listed on the TSXV, and such provisions shall be of no force and effect during such period.

ARTICLE 4 –SHARE UNITS

Section 4.1 Nature of Share Units.

A Share Unit is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 4.2 Share Unit Awards.

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs and/or PSUs under the Plan, (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs and/or PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) The RSUs and PSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.
- (3) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.

- (4) Share Units shall be settled by the Participant at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the Share Unit Settlement Date.
- (5) Unless otherwise specified in the RSU Agreements, one-third of RSUs awarded pursuant to a RSU Agreement shall vest on each of the first three anniversaries of the date of grant.
- (6) Each Non-Employee Director may elect to receive all or a portion his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. The number of RSUs shall be calculated as the amount of the Non-Employee Director's annual retainer fee elected to be paid by way of RSUs divided by the Market Value. At the discretion of the Board, fractional RSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.
- (7) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV, no person retained to provide Investor Relations Activities shall receive any grant of Share Units in compliance with TSXV Policy 3.4.

Section 4.3 Restriction Period Applicable to Share Units.

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2018 shall end no later than December 31, 2021. Subject to the Board's determination, any vested Share Units with respect to a Restriction Period will be paid to Participants in accordance with Article 4, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested Share Units shall be cancelled on the Share Unit Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.

- (1) For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the PSUs held by such Participant (the "**Performance Period**"), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2018, the Performance Period will start on January 1, 2018 and will end on December 31, 2020.
- (2) For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions in order for a Participant to be entitled to receive Shares in exchange for his or her PSUs.

Section 4.5 Share Unit Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU and/or PSU have been met (the "**Share Unit Vesting Determination Date**"), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. For greater certainty, the Share Unit Vesting Determination

Date in respect of Share Units must fall after the end of the Performance Period, if applicable, but no later than the last day of the Restriction Period.

Section 4.6 Settlement of Share Unit Awards.

- (1) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU Agreement and/or PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of a Share Unit are satisfied:
 - (a) all of the vested Share Units covered by a particular grant may, subject to Section 4.6(4), be settled at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the date that is five (5) years from their Share Unit Vesting Determination Date (the “**Share Unit Settlement Date**”); and
 - (b) a Participant is entitled to deliver to the Corporation, on or before the Share Unit Settlement Date, a Share Unit Settlement Notice in respect of any or all vested Share Units held by such Participant.
- (2) Subject to Section 4.6(4), settlement of Share Units shall take place promptly following the Share Unit Settlement Date and take the form set out in the Share Unit Settlement Notice through:
 - (a) in the case of settlement of Share Units for their Cash Equivalent, delivery of a bank draft, certified cheque or other acceptable form of payment to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of Share Units for Shares, delivery of Shares to the Participant; or
 - (c) in the case of settlement of the Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If a Share Unit Settlement Notice is not received by the Corporation on or before the Share Unit Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 4.7(2).
- (4) Notwithstanding any other provision of this Plan, in the event that a Share Unit Settlement Date falls during a Black-Out Period and the Participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period is terminated. Where a Share Unit Settlement Date falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the Share Unit Settlement Date will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days that a Share Unit Settlement Date is after the Black-Out Period.

Section 4.7 Determination of Amounts.

- (1) **Cash Equivalent of Share Units.** For purposes of determining the Cash Equivalent of Share Units to be made pursuant to Section 4.6, such calculation will be made on the Share Unit

Settlement Date and shall equal the Market Value on the Share Unit Settlement Date multiplied by the number of vested Share Units in the Participant's Account which the Participant desires to settle in cash pursuant to the Share Unit Settlement Notice.

- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of Share Units pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and be the whole number of Shares equal to the whole number of vested Share Units then recorded in the Participant's Account which the Participant desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan in respect of such Share Units settled for Shares shall be satisfied in full by such issuance of Shares.

ARTICLE 5—GENERAL CONDITIONS

Section 5.1 General Conditions applicable to Awards.

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

- (1) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (2) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (3) **Conformity to Plan** - In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (4) **Non-Transferability** - Except as set forth herein, Awards are not transferable. Awards may be exercised only by:
 - (a) the Participant to whom the Awards were granted; or
 - (b) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant; or

- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

Section 5.2 Dividend Share Units.

When dividends (other than stock dividends) are paid on Shares, Participants shall receive additional RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Value on the dividend payment date, which Dividend Share Units shall be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 5.2 shall be subject to the same vesting conditions applicable to the related RSUs and/or PSUs.

Section 5.3 Termination of Employment.

- (1) Subject to a written Employment Agreement of a Participant and as otherwise determined by the Board, each Share Unit and Option shall be subject to the following conditions:
 - (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "cause", all unexercised vested or unvested Share Units and Options granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's Code of Ethics and any reason determined by the Corporation to be cause for termination.
 - (b) **Retirement.** In the case of a Participant's retirement, any unvested Share Units and/or Options held by the Participant as at the Termination Date will continue to vest in accordance with their vesting schedules, and all vested Share Units and Options held by the Participant at the Termination Date may be exercised until the earlier of the expiry date of such Share Units and Options or one (1) year following the Termination Date, provided that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Share Units and/or Options held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Share Units and/or Options following the Termination Date.
 - (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board, all Share Units and Options shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of such Share Unit or Option,

to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Share Units and/or Options granted to such Participant shall terminate on the effective date of such resignation.

- (d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for “cause”, resignation or death) the number of Share Units and/or Options that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of ninety (90) days after the effective date of the Termination Date, or the expiry date of such Share Units and Options. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Share Units and/or Options.
 - (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Share Units and Options will immediately vest and all Share Units and Options will expire one hundred eighty (180) days after the death of such Participant.
 - (f) **Change of Control.** If a participant is terminated without “cause” or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Share Units and/or Options will immediately vest and may be exercised prior to the earlier of thirty (30) days of such date or the expiry date of such Options.
- (2) For the purposes of this Plan, a Participant’s employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant’s actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant’s last day of actual and active employment will be considered as extending the Participant’s period of employment for the purposes of determining his entitlement under this Plan.
 - (3) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have settled or vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given.

Section 5.4 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Income Tax Act (Canada) or any successor provision thereto.

ARTICLE 6—ADJUSTMENTS AND AMENDMENTS

Section 6.1 Adjustment to Shares Subject to Outstanding Awards.

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(1) or Section 6.1(2) hereof or, subject to the provisions of Section 6.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is

entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 6.2 Amendment or Discontinuance of the Plan.

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
 - (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;
 - (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and
 - (c) be subject to shareholder approval, where required by law, the requirements of the Stock Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any such amendments:
 - (i) amendments of a general "housekeeping" or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Plan;
 - (ii) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award (other than in respect of any Options held by persons retained to provide Investor Relations Activities for which prior approval of the TSXV shall be required at all times when the Corporation is listed on the TSXV);
 - (iii) a change to the Eligible Participants under the Plan and assignability provisions under this Plan;
 - (iv) any amendment regarding the effect of termination of a Participant's employment or engagement;
 - (v) any amendment to add or amend provisions relating to the granting of cash-settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;
 - (vi) any amendment regarding the administration of this Plan;
 - (vii) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the shareholders of the Corporation; and
 - (viii) any other amendment that does not require the shareholder approval under Section 6.2(2).
- (2) Notwithstanding Section 6.2(1)(c), the Board shall be required to obtain shareholder approval to make the following amendments:

- (a) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.5 and in the event of an adjustment pursuant to Article 6;
- (b) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6;
- (c) any amendment that would permit the introduction or reintroduction of Non-Employee Directors as Eligible Participants on a discretionary basis or any amendment that increases the limits previously imposed on Non-Employee Director participation;
- (d) any amendment to remove or to exceed the insider participation limit set out in Section 2.6(2);
- (e) any amendment to the amendment provisions of the Plan.

At all times when the Corporation is listed on the TSXV, the shareholder approval referred to in Section 6.2(2)(b) above must be obtained on a “disinterested” basis in compliance with the applicable policies of the TSXV if any such Award is held by an Insider.

- (3) The Board may, subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant’s employment shall not apply for any reason acceptable to the Board.
- (4) Notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:
 - (a) the Corporation shall be required to obtain prior TSXV acceptance of any amendment to this Plan; and
 - (b) The Corporation shall be required to obtain disinterested shareholder approval in compliance with the applicable policies of the TSXV for this Plan if, together with all of the Corporation’s previously established and outstanding equity compensation plans or grants, could permit at any time: (1) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued Shares; and (2) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Awards exceeding 10% of the issued Shares, calculated at the date an Award is granted to any Insider.

Section 6.3 Change of Control.

- (1) Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Awards or shall substitute similar options or share units for the outstanding Awards, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Options, RSUs (and related Dividend Share Units) and a specified number of PSUs (and related Dividend Share Units) shall be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of the Plan, shall expire or, with respect to RSUs and PSUs be settled, immediately prior to the termination of the Plan. The number of

PSUs which are deemed to be vested shall be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Vesting Conditions prior to the Change of Control.

- (2) In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest pursuant to this Section 6.3 shall be returned by the Corporation to the Participant and, if exercised or settled, as applicable, the Shares issued on such exercise or settlement shall be reinstated as authorized but unissued Shares and the original terms applicable to such Awards shall be reinstated.

ARTICLE 7—MISCELLANEOUS

Section 7.1 Currency.

Unless otherwise specifically provided, all references to dollars in this Plan are references to Canadian dollars.

Section 7.2 Compliance and Award Restrictions.

- (1) The Corporation's obligation to issue and deliver Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Shares to listing on any stock exchange on which such Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which such Shares are then listed.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Awards will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.
- (4) The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.

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

Section 7.3 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 7.4 Tax Withholding.

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "**Broker**"), under Section 7.4(1) or under any other provision of the Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the withholding obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.
- (3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.
- (4) Notwithstanding the first paragraph of this Section 7.4, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 7.5 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 7.6 Governing Laws.

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

Section 7.7 Severability.

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

Section 7.8 Effective Date of the Plan.

The Plan was approved by the Board and shall take effect on August 14, 2018.

**ADDENDUM FOR U.S. PARTICIPANTS
COBALT 27 CAPITAL CORP.
OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards held by a U.S. Participant. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

1. Definitions

“cause” has the meaning attributed under Section 5.3(1)(a) of the Plan, provided however that the Participant has provided the Corporation (or applicable Subsidiary) with written notice of the acts or omissions constituting grounds for “cause” within 90 days of such act or omission and the Corporation (or applicable Subsidiary) shall have failed to rectify, as determined by the Board acting reasonably, any such acts or omissions within 30 days of the Corporation’s (or applicable Subsidiary’s) receipt of such notice.

“Separation from Service” means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he or she dies, retires, or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).

“Specified Employee” has the meaning set forth in Treasury Regulation Section 1.409A-1(i).

2. Expiry Date of Options

Notwithstanding anything to the contrary in Section 3.4 of the Plan or otherwise, in no event, including as a result of any Black- Out Period or any termination of employment, shall the expiration of any Option issued to a U.S. Participant be extended beyond the original Expiry Date if such Option has an Exercise Price that is less than the Market Value on the date of the proposed extension.

3. Non-Employee Directors

A Non-Employee Director who is also a U.S. Participant and wishes to have all or any part of his or her annual retainer fees paid in the form of RSUs shall irrevocably elect such payment form by December 31 of the year prior to the calendar year during which the annual retainer fees are to be earned. Any election made under this Section 3 shall be irrevocable during the calendar year to which it applies, and shall apply to annual retainers earned in future calendar years unless and until the U.S. Participant makes a later election in accordance with the terms of this Section 3 of the Addendum. With respect to the calendar year in which a U.S. Participant becomes a Non-Employee Director, so long as such individual has never previously been eligible to participate in any deferred compensation plan sponsored by the Corporation, such individual may make the election described in this Section 3 of the Addendum within the first 30 days of becoming eligible to participate in the Plan, but solely with respect to the portion of the annual retainer not earned before the date such election is made. Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, any RSUs issued to a U.S. Participant that is a Non-Employee Director in lieu of retainer fees shall be settled on earlier of (i) the U.S. Participant’s Separation from Service, or (ii) a Change in Control provided that such change in control event constitutes a change in control within the meaning of Section 409A.

4. Settlement of Share Unit Awards.

- (a) Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, all of the vested Share Units subject to any RSU or PSU shall be settled on earlier of (i) the date set forth in the U.S. Participant's Share Unit Settlement Notice which shall be no later than the fifth anniversary of the applicable Share Unit Vesting Determination Date, (ii) the U.S. Participant's Separation from Service, or (iii) a Change in Control provided that such change in control event constitutes a change in control within the meaning of Section 409A.
- (b) Notwithstanding Section 4.6(1)(b) of the Plan, any U.S. Participant must deliver to the Corporation a Share Unit Settlement Notice specifying the Share Unit Settlement Date and form of settlement for his or her RSUs or PSUs on or prior to December 31 of the calendar year prior to the calendar year of the grant; provided that, the Share Unit Settlement Date may be specified at any time prior to the grant date, if the award requires the U.S. Participant's continued service for not less than 12 months after the grant date in order to vest in such Award. Any such election of Share Unit Settlement Date shall be irrevocable as of the last date in which it is permitted to be made in accordance with the forgoing sentence. Notwithstanding the foregoing, if any U.S. Participant fails to timely submit a Share Unit Settlement Notice in accordance with the foregoing, then such U.S. Participant's Share Unit Settlement Date shall be deemed to be the fifth anniversary of the Share Unit Vesting Determination Date, in addition, such settlement shall be in the form of Shares, Cash Equivalent, or a combination of both as determined by the Corporation in its sole discretion.
- (c) For the avoidance of doubt, Section 4.6(4) of the Plan shall not apply to any Award issued to a U.S. Participant.

5. Dividend Share Units

For purposes of clarity, any Dividend Share Units issued to any U.S. Participant shall be settled at the same time as the underlying RSUs or PSUs for which they were awarded.

6. Termination of Employment

- (a) Notwithstanding Section 5.3(1)(b) of the Plan, any unvested Share Units held by a Participant that retires shall be deemed vested as of the Termination Date and shall be settled at such time as set forth in Section 3 to this Addendum.
- (b) For the avoidance of doubt, in the event that a U.S. Participant dies, his or her vested Options shall expire on the earlier of the original expiry date or one hundred and eighty days after the death of such Participant.

7. Specified Employee

Each grant of Share Units to a U.S. Participant is intended to be exempt from or comply with Code Section 409A. To the extent any Award is subject to Section 409A, then

- (a) all payments to be made upon a U.S. Participant's Termination Date shall only be made upon such individual's Separation from Service.

- (b) if on the date of the U.S. Participant's Separation from Service the Corporation's shares (or shares of any other Corporation that is required to be aggregated with the Corporation in accordance with the requirements of Code Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Participant is a Specified Employee, then the benefits payable to the Participant under the Plan that are payable due to the U.S. Participant's Separation from Service shall be postponed until the earlier of the originally scheduled date and six months following the U.S. Participant's Separation from Service. The postponed amount shall be paid to the U.S. Participant in a lump sum within 30 days after the earlier of the originally scheduled date and the date that is six months following the U.S. Participant's Separation from Service. If the U.S. Participant dies during such six month period and prior to the payment of the postponed amounts hereunder, the amounts delayed on account of Code Section 409A shall be paid to the U.S. Participant's estate within 60 days following the U.S. Participant's death.

8. Adjustments.

Notwithstanding anything to the contrary in Article 6 of the Plan, any adjustment to an Option held by any U.S. Participant shall be made in compliance with the Code which for the avoidance of doubt may include an adjustment to the number of Shares subject thereto, in addition to an adjustment to the Exercise Price thereof.

9. General

Notwithstanding any provision of the Plan to the contrary, all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest and penalties under Code Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any Subsidiary of the Corporation shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

APPENDIX "A"

FORM OF OPTION AGREEMENT

COBALT 27 CAPITAL CORP.

OPTION AGREEMENT

This Stock Option Agreement (the "**Option Agreement**") is granted by Cobalt 27 Capital Corp. (the "**Corporation**"), in favour of the optionee named below (the "**Optionee**") pursuant to and on the terms and subject to the conditions of the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the "**Option**"), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee.** The Optionee is [●] and the address of the Optionee is currently [●].
2. **Number of Shares.** The Optionee may purchase up to [●] Shares of the Corporation (the "**Option Shares**") pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in section 6 of this Option Agreement.
3. **Exercise Price.** The exercise price is Cdn \$ [●] per Option Share (the "**Exercise Price**").
4. **Date Option Granted.** The Option was granted on [●].
5. **Expiry Date.** The Option terminates on [●]. (the "**Expiry Date**").
6. **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows:

[●]
7. **Exercise of Options.** In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule "A", whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.
8. **Transfer of Option.** The Option is not-transferable or assignable except in accordance with the Plan.
9. **Inconsistency.** This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.
10. **Severability.** Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

11. **Entire Agreement.** This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
12. **Successors and Assigns.** This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
13. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
14. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
15. **Counterparts.** This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the _____ day of _____, 20__.

COBALT 27 CAPITAL CORP.

By: _____
Name:
Title:

Witness

[Insert Participant's Name]

SCHEDULE "A"
ELECTION TO EXERCISE STOCK OPTIONS

TO: COBALT 27 CAPITAL CORP. (the "Corporation")

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20__ under the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:

Exercise Price (per Share):

Cdn.\$ _____

Aggregate Purchase Price:

Cdn.\$ _____

Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Corporation for details of such amount):

Cdn.\$ _____

☐ Or check here if alternative arrangements have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source seductions, and directs such Shares to be registered in the name of _____

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, ____.

Signature of Participant

Name of Participant (Please Print)

SCHEDULE "B"
SURRENDER NOTICE

TO: COBALT 27 CAPITAL CORP. (the "Corporation")

The undersigned Optionee hereby elects to surrender _____ Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20__ under the Corporation's Omnibus Long-Term Incentive Plan (the "Plan") in exchange for Shares as calculated in accordance with Section 3.6(3) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of _____.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, _____.

Signature of Participant

Name of Participant (Please Print)

APPENDIX "B"

FORM OF RSU AGREEMENT

COBALT 27 CAPITAL CORP.

RESTRICTED SHARE UNIT AGREEMENT

This restricted share unit agreement ("**RSU Agreement**") is granted by Cobalt 27 Capital Corp. (the "**Corporation**") in favour of the Participant named below (the "**Recipient**") of the restricted share units ("**RSUs**") pursuant to the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
2. **Grant of RSUs.** The Recipient is hereby granted [●] RSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
4. **Performance Criteria.** [●].
5. **Performance Period.** [●].
6. **Vesting.** The RSUs will vest as follows:
[●].
7. **Transfer of RSUs.** The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
8. **Inconsistency.** This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10. **Entire Agreement.** This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior

understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

11. **Successors and Assigns.** This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
14. **Counterparts.** This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the _____ day of _____, 20__.

COBALT 27 CAPITAL CORP.

By: _____
Name:
Title:

Witness

[Insert Participant's Name]

APPENDIX "C"

FORM OF PSU AGREEMENT

COBALT 27 CAPITAL CORP.

PERFORMANCE SHARE UNIT AGREEMENT

This performance share unit agreement ("**PSU Agreement**") is granted by Cobalt 27 Capital Corp. (the "**Corporation**") in favour of the Participant named below (the "**Recipient**") of the performance share units ("**PSUs**") pursuant to the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this PSU Agreement shall have the meanings set forth in the Plan.

The terms of the PSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
2. **Grant of PSUs.** The Recipient is hereby granted [●] PSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the PSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
4. **Performance Criteria.** [●].
5. **Performance Period.** [●].
6. **Vesting.** The PSUs will vest as follows:
[●].
7. **Transfer of PSUs.** The PSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
8. **Inconsistency.** This PSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this PSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this PSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this PSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this PSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10. **Entire Agreement.** This PSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior

understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

11. **Successors and Assigns.** This PSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This PSU Agreement and the PSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
14. **Counterparts.** This PSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this PSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this PSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this PSU Agreement as of the _____ day of _____, 20__.

COBALT 27 CAPITAL CORP.

By: _____
Name:
Title:

Witness

[Insert Participant's Name]

APPENDIX "D"

FORM OF U.S. PARTICIPANT/NON-EMPLOYEE DIRECTOR ELECTION FORM

COBALT 27 CAPITAL CORP.

I _____[name] wish to defer 100% of my annual retainer (including any annual retainers or fees for service on committees of the Board) for the calendar year [____] and any future calendar years unless and until I make a new election in accordance with the Plan and the Addendum. I, do hereby elect to have a Share Unit Settlement Date of [____] anniversary of the grant date of such RSUs, or if earlier upon my Separation from Service in respect of all of such RSUs (including any accumulated Dividend Share Units), and otherwise in accordance with the Plan and the special provisions of the Addendum to the Plan applicable to U.S. Participants.

I understand that this election shall be irrevocable as of the last date in which I am permitted to make such election in accordance with Section 3 of the Addendum to the Plan and I shall only be permitted to revoke or modify this election up to such date. I understand that this election shall apply to any other grants of RSUs that I may be granted in the future (if any) in respect of any retainer fees payable in future calendar years (and will become irrevocable as of December 31 of the prior calendar year) until I make a later election, which election shall be made no later than the date set forth in Section 3 of the Addendum to the Plan.

All capitalized terms not defined in this Election Form have the meaning set out in the Plan.

I understand and agree that the granting and settlement of RSUs are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Election Form.

Non-Employee Director Name

Date

Witness

Date

SCHEDULE "B"
FORM OF AMENDED AND RESTATED ARTICLES OF THE COMPANY

See attached.

Incorporation Number: BC0757055

Effective as of: _____

AMENDED AND RESTATED ARTICLES

OF

COBALT 27 CAPITAL CORP.

BUSINESS CORPORATIONS ACT

BRITISH COLUMBIA

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Incorporation Number BC0757055

AMENDED AND RESTATED ARTICLES

OF

COBALT 27 CAPITAL CORP.

(the "Company")

**PART 1
INTERPRETATION**

1.1 Definitions

In these Articles (the "**Articles**"), unless the context otherwise requires:

- (1) "**appropriate person**" has the meaning assigned in the *Securities Transfer Act*;
- (2) "**board of directors**", "**directors**" and "**board**" mean the directors of the Company for the time being;
- (3) "**Business Corporations Act**" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) "**Interpretation Act**" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (5) "**legal personal representative**" means the personal or other legal representative of a shareholder;
- (6) "**protected purchaser**" has the meaning assigned in the *Securities Transfer Act*;
- (7) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;
- (8) "**seal**" means the seal of the Company, if any;
- (9) "**Securities Act**" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (10) "**securities legislation**" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; "**Canadian securities legislation**" means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and "**U.S. securities legislation**" means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the *Securities Act* of 1933 and the *Securities Exchange Act* of 1934;
- (11) "**Securities Transfer Act**" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2 SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company (including the Company's legal counsel or transfer agent) is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the Company is satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the Company.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3 ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:

- (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4 SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register, which may be kept in electronic form.

4.2 Appointment of Agent

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

If the Company has appointed a transfer agent, references in Articles 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, and 5.7 to the Company include its transfer agent.

4.3 Closing Register

The Company must not at any time close its central securities register.

PART 5 SHARE TRANSFERS

5.1 Registering Transfers

The Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:
 - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
 - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

- (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

5.4 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.6 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.7 Transfer Fee

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

PART 6 TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of

administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

PART 7 ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the *Business Corporations Act* and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

PART 8 BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

PART 9 ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Articles 9.2 and 9.3, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may:

- (1) by ordinary resolution:
- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (c) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (d) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
 - (e) alter the identifying name of any of its shares; or
 - (f) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and Articles accordingly; or

- (2) by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

9.2 Special Rights or Restrictions

Subject to the special rights or restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 No Interference with Class or Series Rights without Consent

A right or special right attached to issued shares must not be prejudiced or interfered with under the *Business Corporations Act*, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

9.4 Change of Name

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

9.5 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10 MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place, either in or outside British Columbia, as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders, to be held at such time and place, either in or outside British Columbia, as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.5 Record Date for Notice and Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, any meeting of shareholders.

10.6 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.7 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.8 Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.9 Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

10.10 Advance Notice Provisions

(1) *Nomination of Directors*

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.10 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the *Business Corporations Act* or a valid requisition of shareholders made in accordance with the provisions of the *Business Corporations Act*; or
- (c) by any person entitled to vote at such meeting (a "**Nominating Shareholder**"), who:
 - (i) is, at the close of business on the date of giving notice provided for in this Article 10.10 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and
 - (ii) has given timely notice in proper written form as set forth in this Article 10.10.

(2) *Exclusive Means*

For the avoidance of doubt, this Article 10.10 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) *Timely Notice*

In order for a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30th day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the "**Notice Date**") is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10th day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Article 10.10(3)(a) or 10.10(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

(4) *Proper Form of Notice*

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of this Article 10.10 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
 - (i) the name, age, business and residential address of the Proposed Nominee;
 - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
 - (iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
 - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or applicable securities law; and
 - (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the *Business Corporations Act*; and
- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
 - (i) their name, business and residential address;
 - (ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such

date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

- (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
- (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
- (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;
- (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
- (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
- (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to "**Nominating Shareholder**" in this section 10.10(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) Currency of Nominee Information

All information to be provided in a Timely Notice pursuant to this Article 10.10 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) Delivery of Information

Notwithstanding Part 23 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.10 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

(7) Defective Nomination Determination

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.10, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) Failure to Appear

Despite any other provision of this Article 10.10, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

(9) Waiver

The board may, in its sole discretion, waive any requirement in this Article 10.10.

(10) Definitions

For the purposes of this Article 10.10, "**public announcement**" means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

**PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1)** at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2)** at an annual general meeting, all business is special business except for the following:
 - (a)** business relating to the conduct of or voting at the meeting;
 - (b)** consideration of any financial statements of the Company presented to the meeting;
 - (c)** consideration of any reports of the directors or auditor;
 - (d)** the setting or changing of the number of directors;
 - (e)** the election or appointment of directors;
 - (f)** the appointment of an auditor;
 - (g)** the setting of the remuneration of an auditor;
 - (h)** business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (i)** any non-binding advisory vote.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, a quorum for the transaction of business at a meeting of shareholders is present if shareholders who, in the aggregate, hold at least 10% of the voting rights attached to issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Electronic Voting

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of communications facilities.

11.14 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of electronic, telephonic or other communications facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.18 Manner of Taking Poll

Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.23 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.24 Retention of Ballots and Proxies

The Company or its agent must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company or its agent may destroy such ballots and proxies.

PART 12 VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must be received:
 - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned or postponed meeting; or
 - (b) at the meeting or any adjourned or postponed meeting, by the chair of the meeting or adjourned or postponed meeting or by a person designated by the chair of the meeting or adjourned or postponed meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company or its transfer agent by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communications facility in addition to or in substitution for instructing proxy holders by mail.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting;
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting; or
- (3) be received in any other manner determined by the board or the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available internet or telephone voting services as may be approved by the directors.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): _____

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder - printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

12.16 Production of Evidence of Authority to Vote

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting) inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person's share ownership as at the relevant record date and the authority to vote.

PART 13 DIRECTORS

13.1 Number of Directors

The Company shall have a minimum of three and a maximum of 15 directors. The number of directors is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Article 14.7.

13.2 Change in Number of Directors

If the number of directors is set under Article 13.1:

- (1) the shareholders may elect the directors needed to fill any vacancies in the board of directors up to that number; or
- (2) the directors, subject to Article 14.7, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of, or not in his or her capacity as, a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

PART 14 ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set by the directors under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) when his or her successor is elected or appointed; and

- (4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.5 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.6 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.7 Additional Directors

Notwithstanding Article 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.7 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

14.8 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.9 or 14.10.

14.9 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.10 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company in accordance with the *Business Corporations Act* and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15
POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16
INTERESTS OF DIRECTORS AND OFFICERS

16.1 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.2 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.3 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 17
PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any; or
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
 - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (c) the chair of the board and the president, if a director, have advised the corporate secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone conversation with a director.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such other number as the directors may determine from time to time.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.12 may be by any written instrument, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18 BOARD COMMITTEES

18.1 Appointment and Powers of Committees

The directors may, by resolution:

- (1) appoint one or more committees consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director or appoint additional directors;
 - (c) the power to set the number of directors;

- (d) the power to create a committee of directors, create or modify the terms of reference for a committee of the directors, or change the membership of, or fill vacancies in, any committee of the directors;
 - (e) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation permitted by paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.2 Obligations of Committees

Any committee appointed under Article 18.1, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

18.3 Powers of Board

The directors may, at any time, with respect to a committee appointed under Article 18.1:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

18.4 Committee Meetings

Subject to Article 18.2(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Article 18.1:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 19 OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 20 INDEMNIFICATION

20.1 Definitions

In this Part 20:

- (1) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) "**eligible proceeding**" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director or an officer or former officer of the Company (each, an "**eligible party**") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of the Company:
- (a) is or may be joined as a party; or
- (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) "**expenses**" has the meaning set out in the *Business Corporations Act*;
- (4) "**officer**" means an officer appointed by the board of directors.

20.2 Mandatory Indemnification of Directors and Officers

Subject to the *Business Corporations Act*, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding to the fullest extent permitted by the *Business Corporations Act*.

20.3 Deemed Contract

Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in Article 20.2.

20.4 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person, including directors, officers, employees, agents and representatives of the Company.

20.5 Non-Compliance with *Business Corporations Act*

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 20.

20.6 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, officer, employee or agent of the Company;
- (2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

PART 21 DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

21.6 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.7 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.8 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.9 Dividend Bears No Interest

No dividend bears interest against the Company.

21.10 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.11 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid;

- (1) by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing; or
- (2) by electronic transfer, if so authorized by the shareholder.

The mailing of such cheque or the forwarding by electronic transfer will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.12 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 22 ACCOUNTING RECORDS AND AUDITOR

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

PART 23
NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient;
- (6) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or
- (7) as otherwise permitted by applicable securities legislation.

23.2 Deemed Receipt

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered in accordance with Section 23.1(6), is deemed to be received by the person on the day such written notice is sent.

23.3 Certificate of Sending

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

23.6 Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 24 SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.1(2) and 24.1(3), the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which

facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

SCHEDULE “C” BOARD MANDATE

The members of the board of directors (respectively, the “Directors” and the “Board”) have the responsibility to oversee the conduct of the business of Cobalt 27 Capital Corp. (the “Company”) and to oversee the activities of management who are responsible for the day-to-day conduct of the business.

Article 1 - Composition

The Board shall be comprised of at least three independent Directors. The definition of independence is as provided by applicable law and stock exchange listing standards. No Director will be considered independent unless the Director has no “material relationship” (as such term is defined in National Instrument 52-110 of the Canadian Securities Administrators) with the Company, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Company.

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this written mandate. If the Chair is not independent, a majority of the Board’s independent Directors shall appoint (and if the Chair is in a conflict of interest with respect to a particular matter or matters, a majority of the Board’s independent Directors may appoint) an independent lead Director from among the Directors, who will be responsible for ensuring that the Directors who are independent (or non-conflicted) and management have opportunities to meet without management and non-independent (or conflicted, as applicable) Directors, as required, and will assume such other responsibilities as the independent Directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

The Board may, from time to time, engage consultants or members of the Company’s management team that are not directors of the Company and these persons may attend meetings or portions of meetings as invited guests of the Board. Otherwise, the Board will consist only of Directors and only Directors and a Corporate Secretary, appointed by the Board, may attend meetings of the Board.

Article 2 - Operation

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting Committees of the full Board and determining Director compensation. Subject to the Articles and the Business Corporations Act (British Columbia), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to Committees of the Board.

The full Board considers all major decisions of the Company, except that certain analyses and work of the Board will be performed by standing Committees empowered to act on behalf of the Board. The Company may have a number of standing Committees, including the Audit Committee and the Compensation and Corporate Governance Committee, and has the authority to appoint other committees to steward certain other matters.

Each Committee shall operate according to the mandate approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board shall review and reassess the adequacy of the mandate of each Committee on a regular basis and, with respect to the Audit Committee, at least once a year.

The Chair of the Board shall annually propose the leadership and membership of each Committee. In preparing recommendations, the Chair of the Board will take into account the preferences, skills and experience of each Director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

The Board will hold four regularly scheduled meetings each year. The Board shall meet at the end of its regular quarterly meetings without members of management being present. Special meetings will be called as necessary.

Directors are expected to attend all Board meetings and all Board Committee meetings where such Director is a member of such Committee, although it is understood that conflicts may occasionally arise that prevent a Director from attending a meeting. Attendance at Board meetings and Board Committee meetings in person is preferred, but attendance by teleconference or other electronic communication established by the Board or such Board Committee is permitted. In advance of each regular Board and Committee meeting and, to the extent feasible each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each Director. It is expected that each Director will review presentation materials in advance of a meeting.

The Chair of the Board presides at all meetings of the Board and shareholders. Minutes of each meeting shall be prepared by the Corporate Secretary (or in his or her absence a secretary who has been appointed for the purposes of the meeting). The Chief Executive Officer (the “CEO”), if he or she is not a Director, shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee. Members of management and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board. Following each meeting, the Corporate Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO or Corporate Secretary.

Article 3- Responsibilities

The Board is responsible under law to supervise the management of the business and affairs of the Company. In broad terms the stewardship of the Company involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity.

Article 4 - Specific Duties

Without limiting the foregoing, the Board shall have the following specific duties and responsibilities:

(1) Legal Requirements

- (a) The Board has the oversight responsibility for meeting the Company's legal requirements and for approving and maintaining the Company's documents and records;
- (b) The Board has the statutory responsibility to:
 - (i) manage or supervise the management of the business and affairs of the Company;
 - (ii) act honestly and in good faith with a view to the best interests of the Company;
 - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - (iv) act in accordance with its obligations contained in the Business Corporations Act (British Columbia) and the regulations thereto, the Company's Articles, and other relevant legislation and regulations.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
 - (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - (ii) the filling of a vacancy among the Directors;
 - (iii) the issuance of securities;
 - (iv) the declaration of dividends;
 - (v) the purchase, redemption or any other form of acquisition of shares issued by the Company;
 - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - (vii) the approval of management proxy circulars;
 - (viii) the approval of any take-over bid circular or directors' circular; and
 - (ix) the approval of financial statements of the Company.

(2) Strategy Determination

The Board has the responsibility to adopt a strategic planning process for the Company and to participate with management directly or through its Committees in approving goals and the strategic plan for the Company by which the Company proposes to achieve its goals. The Board shall monitor the implementation and execution of the tasks constituent to the corporate strategy.

To be effective, the strategy will result in creation of value over the long term while always preserving the Company's ability to conduct its business while balancing the interests of its various stakeholders. For the purpose of this clause, "stakeholder" will mean any party, group or institution whose reasonable approval is required for the Company to execute its Board approved strategy.

(3) Managing Risk

The Board has the responsibility to identify and understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of the Company. It is the responsibility of management to ensure that the Board and its Committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are through

the execution of the duties of its committee and through the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

(4) Appointment, Training and Monitoring Senior Management

The Board has the responsibility:

- (a) to appoint the CEO and establish a description of the CEO's responsibilities and other senior management's responsibilities, to monitor and assess the CEO's performance, to determine the CEO's compensation, and to provide advice and counsel in the execution of the CEO's duties;
- (b) to approve the appointment and remuneration of the Company's senior management; and
- (c) to establish provisions for the training and development of management and for the orderly succession of management.

(5) Reporting and Communication

The Board has the responsibility:

- (a) to ensure compliance with the reporting obligations of the Company, including that the financial performance of the Company is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
- (b) to recommend to shareholders of the Company a firm of certified professional accountants to be appointed as the Company's auditors;
- (c) to ensure that the financial results of the Company are reported fairly and in accordance with generally accepted accounting principles;
- (d) to ensure the timely reporting of any change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the common shares of the Company;
- (e) to establish a process for direct communications with shareholders and other stakeholders through appropriate Directors, including through a Whistleblower Policy;
- (f) to ensure that the Company has in place a policy to enable the Company to communicate effectively with its shareholders and the public generally; and
- (g) to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year.

(6) Monitoring and Acting

The Board has the responsibility:

- (a) to establish policies and processes for the Company to operate at all times within applicable laws and regulations to the highest ethical and moral standards (advancing the interests of the Company, including the pursuit of differentiating performance in meeting the reasonable needs of all stakeholders of the Company);
- (b) to ensure that management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which the Company is operated;
- (c) to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (d) to take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for the Company;
- (e) to approve annual (or more frequent as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business that may significantly impact the value of or opportunities available to the Company; and

- (f) to implement internal control and information systems and to monitor the effectiveness of same so as to allow the Board to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.
- (7) Governance
- The Board has the responsibility:
- (a) to develop a position description for the Chair of the Board;
 - (b) to facilitate the continuity, effectiveness and independence of the Board by, among other things:
 - (i) appointing from among the Directors an Audit Committee, a Compensation and Corporate Governance Committee, and such other committees as the Board deems appropriate;
 - (ii) defining the mandate, including both responsibilities and delegated authorities, of each Committee of the Board;
 - (iii) establishing a system to enable any Director to engage an outside adviser at the expense of the Company;
 - (iv) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each Director, each Committee and each Committee's Chair;
 - (v) reviewing annually the composition of the Board and its Committees and assess Directors' performance on an ongoing basis, and propose new members to the Board; and
 - (vi) reviewing annually the adequacy and form of the compensation of the Directors.

Article 5 - New Director Orientation

New Directors will be provided with an orientation which will include written information about the duties and obligations of Directors and the business and operations of the Company, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other Directors.

Article 6 - Conflicts of Interest

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances. Each Director serves in his or her personal capacity and not as an employee, agent or representative of any other company, organization or institution, even if the Director is employed by a shareholder or any other entity which does business with the Company. In providing direction to the Company, Directors acknowledge that the wellbeing of the Company is their sole concern. Any Director must not be affected in his or her deliberations and decision making by any relationship with any outside person or party including any specific shareholder no matter which one and no matter what the relationship between the Director and that Shareholder. Directors shall not allow personal interests to conflict with their duties to the Company and shall avoid and refrain from involvement in situations of conflict of interest.
- (b) A Director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict or perceived conflict with that Director's duty to the Company.
- (c) A Director shall disclose promptly any interest that Director may have in an existing or proposed contract or transaction of or with the Company.
- (d) The disclosures contemplated in paragraphs (b) and (c) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any Committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur by e-mail to the other Directors immediately upon realization of the conflicting situation and then confirmed at the first Board and/ or Committee meeting after the Director becomes aware of the potential conflict of interest that is attended by the conflicted Director.
- (e) Each Director will on an annual basis disclose all entities to which it is related, affiliated or in which it holds a, direct or indirect, interest that may do business with the Company or operate in the same industry.
- (f) A Director's disclosure to the Board or a Committee of the Board shall disclose the full nature and extent of that Director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board or such Committee of the Board.

- (g) A Director with a conflict of interest or who may be perceived as being in a conflict of interest with respect to the Company shall abstain from discussion and voting by the Board or any Committee of the Board on any motion to recommend or approve the subject matter of such conflict unless the matter relates primarily to the Director's remuneration or benefits or as otherwise permitted by applicable law or regulation. If the conflict of interest is obvious and direct, the Director shall withdraw while the item is being considered.
- (h) Without limiting the generality of "conflict of interest", it shall be deemed a conflict of interest if a Director, a Director's relative, a member of the Director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Company.
- (i) Directors shall not use information obtained as a result of acting as a Director for personal benefit or for the benefit of others.
- (j) Any Director shall not use or provide to the Company any information known by the Director that through a relationship with a third party the Director is not legally able to use or provide.
- (k) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a Director.

Article 7 - Mandate Review

This Mandate shall be reviewed and approved by the Board each year after the annual general shareholder meeting of the Company.

Article 8 - General

The Board may perform any other activities consistent with this Mandate, the Company's Articles and any governing laws as the Board deems necessary or appropriate.

Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy
Solicitation Agent, Kingsdale Advisors

CONTACT US:


North American Toll Free Phone:

1-888-518-1563

@ E-mail: contactus@kingsdaleadvisors.com

 Fax: 416-867-2271

Toll Free Fax: 1-866-545-5580

 Outside North America, Banks and Brokers
Call Collect: 416-867-2272



KINGSDALE Advisors