

KLIMAT X DEVELOPMENTS INC.
Suite 1012 – 1030 West Georgia Street
Vancouver, British Columbia, V6E 2Y3
Telephone: (604) 562-4546

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the shareholders (the "Meeting") of Klimat X Developments Inc. (the "Company") will be held at Suite 1012-1030 West Georgia St., Vancouver, British Columbia, V6E 2Y3, on May 11, 2023, at 11:00 a.m. (Pacific Time) for the following purposes:

1. To receive and consider the consolidated financial statements of the Company together with the auditor's reports thereon for the financial years ended December 31, 2021 and December 31, 2022.
2. To fix the number of directors at four (4).
3. To elect directors for the ensuing year.
4. To appoint BDO Canada LLP, Chartered Professional Accountants, as Auditor of the Company for the ensuing year, and to authorize the directors to fix the Auditor's remuneration.
5. To consider and, if thought fit, to pass an ordinary resolution approving and ratifying the Company's Equity Incentive Plan, as more particularly described in the accompanying information circular accompanying this notice.
6. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or at any adjournment thereof.

In order to be valid and acted upon at the Meeting, proxies must be received no later than 11:00 a.m. (Pacific Time) on May 9, 2023 or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for holding the Meeting or any postponement(s) or adjournment(s) thereof. Failure to so deposit a form of proxy will result in its invalidation. Notwithstanding the foregoing, the chair of the Meeting has the discretion to accept proxies received after such deadline.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The audited financial statements for the years ended December 31, 2022 and December 31, 2021, the reports of the auditor and the related management discussion and analysis will be made available at the Meeting and on www.sedar.com.

Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are a non-registered Shareholder.

DATED at Vancouver, British Columbia, this 6th day of April 2023.

BY ORDER OF THE BOARD

"Dr. James Tansey"

DR. JAMES TANSEY

Chief Executive Officer



KLIMAT X DEVELOPMENTS INC.
Suite 1012 - 1030 West Georgia Street
Vancouver, BC V6E 2Y3
Telephone: (604) 562-4546

INFORMATION CIRCULAR
as at April 6, 2023 (except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Klimat X Developments Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on May 11, 2023 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “we” and “our” refer to Klimat X Developments Inc. “Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company (collectively, “Management’s Nominees”). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by striking out the names of Management’s Nominees named in the accompanying form of Proxy and inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

ON A POLL SUCH COMMON SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Odyssey Trust Company ("**Odyssey**"), by mail to 350 - 409 Granville St., Vancouver, BC V6K 2K2; or
- (b) log onto Odyssey's website at <http://odysseytrust.com/Transfer-Agent/Login>. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's control number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - 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 to the issuers of the securities they own knowing who they are (called “**NOBOs**” for “*Non-Objecting Beneficial Owners*”).

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the voting instruction form, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative (which may be you) in the blank space provided in the voting instruction form. Once you have completed and signed your voting instruction form return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge’s instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

The Company has decided to take advantage of the provisions of National Instrument 54-101 that permit it to deliver proxy related materials directly to its NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, if you are a NOBO of the Company, you can expect to receive a scannable Voting Instruction Form (“**VIF**”) from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. The Transfer Agent will tabulate the results of the VIF’s received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIF’s they receive.

The Company is not sending its proxy-related materials to the registered shareholders or Beneficial Shareholders using “notice and access”, as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

The Company does not intend to pay for intermediaries to deliver the proxy-related materials and Form 54-101F7 to OBOs, as defined under NI 54-101. As a result, OBOs will not receive the Meeting materials unless the OBOs intermediary assumes the costs of delivery.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to Odyssey or at the address of the registered office of the Company at 1200 Waterfront Centre, 200 Burrard St., Vancouver, British Columbia, V6C 3L6, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No person who has been a director or executive officer of the Company, at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors, or the appointment of auditor. Directors and executive officers may be interested in the approval of the Omnibus Incentive Plan. See "Particulars of Matters to be Acted Upon - Approval of the Equity Incentive Plan".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed April 6, 2023 as the record date (the "**Record Date**") for determining persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the TSX Venture Exchange (the "**TSXV**") and is authorized to issue an unlimited number of Common Shares without par value. As of April 6, 2023, there were 86,222,661 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share registered in his, her or its name.

To the knowledge of the directors and senior officers of the Company, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company as at April 6, 2023 are:

| Shareholder Name* | Number of Common Shares Held* | Percentage of Issued Common Shares |
|---------------------------------------|-------------------------------|------------------------------------|
| Canvas Impact Advisors ⁽¹⁾ | 9,990,851 | 11.58% |
| 662 Ventures Ltd. ⁽²⁾ | 9,187,934 | 10.65% |
| Kevin Godlington | 8,790,351 | 10.19% |

Note:

(*) The above information has been furnished by the Company and from the insider reports available at www.sedi.ca.

(1) Canvas Impact Advisors is beneficially owned by Dr. James Tansey, CEO of the Company.

(2) 662 Ventures Ltd. is beneficially owned by Neil Passmore, Director and Director of Corporate Development of the Company.

The following documents filed with the securities commissions or similar regulatory authority in British Columbia and Alberta and are specifically incorporated by reference into, and form an integral part of, this information circular:

- December 31, 2021 and December 31, 2022 year-end financial statements, report of the auditor and related management discussion and analysis are filed under the Company's SEDAR profile at www.sedar.com;

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 1012 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3, telephone no. (604) 562-4546 or email: dtopolewski@cdmcp.com. These documents are also available via the internet under the Company's SEDAR profile at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The Board of Directors presently consists of six (6) directors and it is intended to determine the number of directors fixed at four (4) and to elect four (4) directors for the ensuing year. The Board will nominate the four (4) individuals set out below to be elected to the Board at the Meeting.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as the nominees of management and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA").

Advance Notice Provision

Pursuant to the advance notice provisions contained in the Articles (the "Advance Notice Provision"), the Board has determined that notice of nominations of persons for election to the Board at the Meeting must be made following the requirements of such Advance Notice Provisions. To the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Articles and, subject to the timely receipt of any such nomination, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of the Company's Articles was filed on SEDAR at www.SEDAR.com under the Company's profile in the information circular filed on December 18, 2017.

Management Director Nominees

The following table sets out the names of management's nominees for election as a director (a "proposed director"), all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's current principal occupation, business or employment (for the five preceding years for each new nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at April 6, 2023.

| Nominee Position with the Company and Province or State and Country of Residence | Occupation, Business or Employment⁽¹⁾ | Period as a Director of the Company | Number of Common Shares beneficially owned or directly or indirectly controlled⁽²⁾ |
|--|---|--|--|
| Dr. JAMES TANSEY ⁽⁵⁾⁽⁶⁾⁽⁷⁾ Vancouver, BC CEO, Director | Board member of Gemina Labs, Senior Advisor of NatureBank Asset Management. Associate professor at the University of British Columbia's Sauder School of Business. | June 29, 2022 | 9,990,851 |
| NEIL PASSMORE ⁽³⁾⁽⁴⁾⁽⁶⁾⁽⁷⁾ London, England Director and Director of Corporate Development | Co-founder and CEO of Hannam & Partners, a mid-market FCA regulated, natural resource focussed investment bank. Co-founder of three sustainable agriculture businesses in Guyana and West Africa. Formerly a Director in the J.P. Morgan natural resources group. | June 29, 2022 | 9,187,934 |
| ABAYOMI AKINJIDE ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾ London, England Independent Director | Partner and Co-Leader of the Global Energy and Climate Group in the London office of the law firm Fasken. | October 17, 2022 | Nil |
| CELIA FRANCIS ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁷⁾ London, England Independent Director | Board member at NREP, the leading real estate and urban developer in Northern Europe. Founder of The Art of Forests Alliance. | March 1, 2023 | 50,428 |

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees or obtained from information available on SEDI.
- (2) On an undiluted basis.
- (3) Member of the Audit Committee.
- (4) Member of the Human Resources and Compensation Committee.
- (5) Member of the Corporate Governance and Nomination Committee.
- (6) Member of the Safety and Sustainability Committee
- (7) This director also holds stock options to purchase additional Common Shares: Dr. James Tanset as to 675,000 options; Mr. Passmore as to 400,000 options; Mr. Akinjide as to 300,000 options; Ms. Francis as to 300,000 options.

Biographies of Director Nominees

Dr. James Tansey - CEO, Director

Dr. Tansey is an experienced carbon markets executive who advised on the creation of the British Columbia, Canada carbon market and the Great Bear Rainforest Carbon. He was also involved with the planning of the 2010 Vancouver Winter Olympics which were the first to be carbon neutral. As former CEO of NatureBank, he created one of the first and largest voluntary market carbon developers in North America producing more than 50M tonnes. More recently, he has created jurisdictional carbon development agreements in countries like Mexico.

Neil Passmore – Director, Director of Corporate Development

Mr. Passmore is the CEO and co-founder of Hannam & Partners - a mid-market, FCA regulated, natural resource focussed investment bank. He has worked for 19 years in natural resources corporate finance including as a Director in the J.P. Morgan natural resources group. He has advised on a broad spread of capital markets and M&A transactions with an aggregate value in excess of \$30 billion including several of the resource industry's transformational mergers and acquisitions. He is the co-founder of three sustainable agriculture businesses in Guyana and West Africa. Mr. Passmore was formerly a helicopter pilot in the British Army and has an MBA and a MA (Oxon).

Abayomi Akinjide, Director

Mr. Akinjide is a Partner and Co-Leader of the Global Energy and Climate Group in the London office of the law firm Fasken. His practice is global and he is recognized as an expert on Africa, a continent where Klimat X is actively developing a pipeline of carbon credit projects. Mr. Akinjide is dual qualified in England and Wales and Nigeria.

He has substantial experience in complex cross-border mergers and acquisitions, financings, private equity transactions, drafting commercial agreements, advising on joint ventures and many other legal issues. He has a strong understanding of financial markets and is a skilled negotiator, dealing with both transaction counterparties and regulators. He has advised a number of clients, including banks, brokers, private equity sponsors and corporates.

Celia Francis – Director

Ms. Francis is a proven pioneer in leading emerging digital and ClimateTech focused companies. She plays a central and active role in the emergence of carbon markets around the world, working on finance, technology solutions and project origination efforts. Ms. Francis was Chief Commercial Officer at Earthshot, brokering voluntary carbon credit based financing into a variety of high quality nature restoration projects around the planet. She is also a board member at NREP, the leading real estate and urban developer in Northern Europe with a science-based commitment to NetZero by 2028. Celia is the founder of The Art of Forests Alliance, a cooperative of the world's most experienced at-scale forest restoration organizations. After graduating from Harvard and gaining an MBA from MIT, Celia held CEO and GM roles at leading technology companies including AltaVista, T-Mobile, and social networking company WeeWorld.

Penalties, Sanctions and Cease Trade Orders

Other than set forth below, none of the proposed directors (or any of their personal holding companies) of the Company:

- (a) is, or during the ten years preceding the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, or during the ten years preceding the date of this Information Circular has been, 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 ten years preceding the date of this Information 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 that individual.

For the purposes of paragraphs (a)(i) and (a)(ii) above, an “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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.

NatureBank Asset Management Inc. (“NatureBank”) a reporting issuer of which Dr. James Tansey, a director of the Company, was a director, was subject to a MCTO commencing June 17, 2020 for failure to file annual financial statements and associated management discussion & analysis for the year ended December 31, 2019 within the required time period. NatureBank filed the required records on July 17, 2020 and the MCTO was revoked on July 21, 2020.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable security holder of the Company in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

BDO Canada LLP, Chartered Professional Accountants, of 903 8th Avenue SW, Suite 620, Calgary, AB T2P, will be nominated at the Meeting for appointment as auditor of the Company for the ensuing fiscal year, at a remuneration to be fixed by the Board. BDO Canada LLP, Chartered Professional Accountants became the auditors of the Company on December 1, 2022, pursuant to the Notice of Change of Auditor delivered to both BDO Canada LLP, as successor auditor, and to MNP LLP, as former auditor, and as filed on the Company’s SEDAR profile on December 1, 2022. A copy of the “Change of Auditor Reporting Package” including the Notice of Change of Auditor, the letter from the former auditor and the letter from the successor auditor are attached as Schedule “A” hereto.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of BDO Canada LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting, and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The Company is a venture issuer as defined under National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) and each venture issuer is required to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Audit Committee's Charter

The Company's Audit Committee has adopted a written charter (the "**Charter**") that sets out its mandate and responsibilities. A copy of the Charter is attached hereto as Schedule "B". As the Company is a "venture issuer" (as defined in NI 52-110), it is relying on the exemptions provided to it in Section 6.1 of NI 52-110 with respect to composition of the Audit Committee and with respect to audit committee reporting obligations.

Composition of the Audit Committee

The current Audit Committee members are Celia Francis (Chair), Abayomi Akinjide, and Neil Passmore. Ms. Francis and Mr. Akinjide are independent. All Audit Committee members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the Board's reasonable opinion, interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See *Biographies of Director Nominees* above, in particular the biographies of each Audit Committee member, for more information concerning each Audit Committee member's education and experience.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

The Company's auditor, BDO Canada LLP, Chartered Professional Accountants, have not provided any material non-audit services (nor did MNP LLP, the Company's previous auditors). At no time since the commencement of the Company's two most recently completed financial years has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-Audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services which are set forth in the Audit Committee Charter under the heading “External Auditors”

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by the Company’s former auditor, MNP LLP, Chartered Professional Accountants, (the “Auditor”) to the Company to ensure auditor independence. Fees incurred with the Auditor, for audit and non-audit services in the last two fiscal years are outlined in the following table:

| Nature of Services | Fees Paid to Auditor in Year Ended December 31, 2022 | Fees Paid to Auditor in Year Ended December 31, 2021 |
|-----------------------------------|--|--|
| Audit Fees ⁽¹⁾ | \$230,000 | \$101,689 |
| Audit-Related Fees ⁽²⁾ | \$Nil | \$Nil |
| Tax Fees ⁽³⁾ | \$Nil | \$2,140 |
| All Other Fees ⁽⁴⁾ | \$Nil | \$Nil |
| Total | \$230,000 | \$103,829 |

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Exemption

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires issuers to disclose their corporate governance practices and National Policy 58-201 - *Corporate Governance Guidelines* (“NP 58-201”) provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company’s shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

The Board is currently comprised of six directors (Dr. James Tansey, Paul Matysek, Robert Cross, Neil Passmore, Abayomi Akinjide, Celia Francis). Following the election of the directors at the Meeting, the Board is to be comprised of four directors (Dr. James Tansey, Neil Passmore, Abayomi Akinjide and Celia Francis).

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the Board’s opinion, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

Management is delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

The Board has concluded that four of its current directors (Paul Matysek, Robert Cross, Abayomi Akinjide and Celia Francis) are "independent" for purposes of board membership as defined in NI 58-101. The Board has concluded that two of its nominees for election as a director at the Meeting (Abayomi Akinjide and Celia Francis) will be "independent" for purposes of board membership as defined in NI 58-101. Dr. James Tansey, the Chief Executive Officer of the Company and Neil Passmore, Director of Corporate Development of the Company, are "inside" or management director and accordingly are considered not "independent".

Directorships

Certain members of the Board and management nominees to the Board are currently serving on boards of directors of other reporting companies (or equivalent) as set out below:

| Name of Director | Name of Reporting Issuer | Exchange |
|-------------------------|---------------------------------|-----------------|
| Dr. James Tansey | Gemina Laboratories Ltd. | CSE |

Orientation and Continuing Education

The Company does not currently have any formal orientation and education programs for new directors as the changes in Board membership have been limited. The Board briefs all new directors on the corporate policies of the Company and other relevant corporate and business information. If there is a change in the number of directors required by the Company, this policy will be reviewed.

Ethical Business Conduct

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 objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Corporate Governance and Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Company's Corporate Governance and Nomination Committee has responsibility for identifying potential Board candidates. There is no set process for identifying new candidates, but a pool of candidates may be generated using the existing network of the Company Board members, a search firm, or any other method that the Board may choose. The current Corporate Governance and Nomination Committee members are James Tansey (Chair), Celia Francis, and Abayomi Akinjide. Ms. Francis and Mr. Akinjide are independent.

The Corporate Governance and Nomination Committee is also responsible for providing a focus on governance itself, and to help fulfill the governance value in the Company's environmental, social and corporate governance values and performance. The Corporate Governance and Nomination Committee

acts as a governance focused resource, staying current on trends and expectations, and holding the Board and the Company accountable to the governance guidelines and policies. This committee supports good governance and promotes the healthy development and functioning of the Board, Board committees, and individual directors. The Corporate Governance and Nomination Committee assesses and makes recommendations regarding governance effectiveness and establishes and leads the process for identifying, recruiting, appointing, re-appointing and providing ongoing development for qualified directors to achieve the Company's purpose and mission.

Human Resources and Compensation

The Human Resources and Compensation Committee and the Board is responsible for developing the Company's human resources strategy and to review on an annual basis the adequacy and form of compensation and benefits of all executive officers and directors, and with respect to the Company's equity incentive plan and the granting of equity incentives thereunder. To carry out its duties, the Board may retain special legal, accounting, financial or other consultants to advise the Board on human resources strategies and compensation matters. The current Human Resources and Compensation Committee members are Celia Francis (Chair), Abayomi Akinjide and Neil Passmore. Ms. Francis and Mr. Akinjide are independent.

Other Board Committees

The Board has the following committees: Audit Committee, Human Resources and Compensation Committee, the Corporate Governance and Nomination Committee, as described above, and the Safety and Sustainability Committee.

Assessments

The Board annually reviews its own performance and effectiveness as well as the Audit Committee Charter. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board. The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers (the "**Form**"), as such term is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

"**CEO**" of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

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

"**Named Executive Officer**" or "**NEO**", means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed

financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

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

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the board of directors of the Company (the “**Board**”) for the two most recently completed financial years ended December 31, 2021 and December 31, 2022.

Options and compensation securities are disclosed under the heading “Share Options and Other Compensation Securities” below.

The Company had the following NEOs for the financial years ended December 31, 2021 and December 31, 2022:

- Dr. James Tansey, CEO and Director;
- Matthew Roma, CFO, and Corporate Secretary;
- Paul Larkin, Former CEO and Former Director
- Chris Colbern, Former CFO and Corporate Secretary
- Jonathan Younie, Former CFO and Corporate Secretary

| Table of compensation excluding compensation securities | | | | | | | |
|--|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| James Tansey ⁽¹⁾ Chief Executive Officer, Director | 2021 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| | 2022 | \$112,500 | \$140,000 | \$Nil | \$Nil | \$Nil | \$252,500 |
| Matthew Roma ⁽²⁾ Chief Financial Officer and Corporate Secretary | 2021 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| | 2022 | \$60,125 | \$Nil | \$Nil | \$Nil | \$Nil | \$60,125 |
| Neil Passmore ⁽³⁾ Director, Director of Corporate Development | 2021 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| | 2022 | \$60,000 | \$Nil | \$Nil | \$Nil | \$Nil | \$60,000 |
| Abayomi Akinjide ⁽⁴⁾ Director | 2021 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| | 2022 | \$7,555 | \$Nil | \$Nil | \$Nil | \$Nil | \$7,555 |
| Robert Cross ⁽⁵⁾ Director | 2021 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| | 2022 | \$18,000 | \$Nil | \$Nil | \$Nil | \$Nil | \$18,000 |
| Paul Matysek ⁽⁵⁾ Director | 2021 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| | 2022 | \$72,750 | \$63,000 | \$Nil | \$Nil | \$Nil | \$135,750 |
| Ford Nicholson ⁽⁵⁾ Former Director | 2021 | \$4,300 | \$Nil | \$Nil | \$Nil | \$Nil | \$4,300 |
| | 2022 | \$74,100 | \$63,000 | \$Nil | \$Nil | \$Nil | \$137,100 |
| Mischa Zatjmann ⁽⁵⁾ | 2021 | \$34,650 | \$Nil | \$Nil | \$Nil | \$Nil | \$34,650 |

Table of compensation excluding compensation securities

| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|--|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Former Director | 2022 | \$27,450 | \$63,000 | \$Nil | \$Nil | \$Nil | \$90,450 |
| Paul Larkin⁽⁶⁾ Former Chief Executive Officer and Director | 2021 | \$23,939 | \$Nil | \$Nil | \$Nil | \$Nil | \$23,939 |
| | 2022 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| Chris Colborne⁽⁷⁾ Former Chief Financial Officer and Corporate Secretary | 2021 | \$55,664 | \$Nil | \$Nil | \$Nil | \$Nil | \$55,664 |
| | 2022 | \$406,664 | \$63,000 | \$Nil | \$Nil | \$Nil | \$525,329 |
| Jonathan Younie⁽⁸⁾ Former Chief Financial Officer and Corporate Secretary | 2021 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| | 2022 | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |

Notes:

- (1) Dr. Tansey was appointed as CEO and Director on June 29, 2022.
- (2) Matthew Roma was appointed as CFO and Corporate Secretary October 17, 2022.
- (3) Neil Passmore was appointed as a Director and Director of Corporate Development on June 29, 2022.
- (4) Abayomi Akinjide was appointed as a Director October 17, 2022.
- (5) Appointed as a Director on June 29, 2022.
- (6) Paul Larkin resigned as CEO and Director on November 26, 2021.
- (7) Chris Colborne resigned as CFO and Corporate Secretary on October 17, 2022.
- (8) Jonathan Younie resigned as CFO on November 26, 2021.

Subsequent to the financial year ended December 31, 2022, on March 1, 2023, Celia Francis was appointed a director of the Company.

Share Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and NEO by the Company, or a subsidiary of the Company, in the two most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company, or a subsidiary of the Company.

| Compensation Securities | | | | | | | |
|--|-------------------------------|--|------------------------|--|--|---|-------------------|
| Name and Position | Type of Compensation Security | Number of Compensation Securities, underlying securities and percentage of class (\$) ⁽¹⁾ | Date of Grant or Issue | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry Date |
| James Tansey Chief Executive Officer, Director | Stock Options | 675,000 options to purchase 675,000 common shares 12.6% | June 29, 2022 | \$0.45 | N/A | \$0.16 | June 29, 2027 |
| Matthew Roma Chief Financial Officer and Corporate Secretary | Stock Options | 250,000 options to purchase 250,000 common shares 4.7% | December 20, 2022 | \$0.20 | \$0.12 | \$0.16 | December 20, 2027 |

| Compensation Securities | | | | | | | |
|---|-------------------------------|--|------------------------|--|--|---|------------------|
| Name and Position | Type of Compensation Security | Number of Compensation Securities, underlying securities and percentage of class ⁽¹⁾ (\$) | Date of Grant or Issue | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry Date |
| Neil Passmore Director, Director of Corporate Development | Stock Options | 400,000 options to purchase 400,000 common shares 7.4% | June 29, 2022 | \$0.45 | N/A | \$0.16 | June 29, 2027 |
| Abayomi Akinjide Director | Stock Options | 300,000 options to purchase 300,000 common shares 5.6% | October 14, 2022 | \$0.20 | \$0.125 | \$0.16 | October 14, 2027 |
| Robert Cross Director | Stock Options | 750,000 options to purchase 750,000 common shares 14% | June 29, 2022 | \$0.45 | N/A | \$0.16 | June 29, 2027 |
| Paul Matysek Director | Stock Options | 1,200,000 options to purchase 1,200,000 common shares 22.3% | June 29, 2022 | \$0.45 | N/A | \$0.16 | June 29, 2027 |
| Ford Nicholson Former Director | Stock Options | 399,040 options to purchase 399,040 common shares 7.4% | June 29, 2022 | \$0.45 | N/A | \$0.16 | June 29, 2027 |
| Mischa Zatzmann Former Director | Stock Options | 200,000 options to purchase 200,000 common shares 3.7% | June 29, 2022 | \$0.45 | N/A | \$0.16 | June 29, 2027 |

Notes:

(1) The percentage of class is based on the total number of options and common shares outstanding as at December 31, 2022: 86,222,661 common shares, 5,374,040 stock options.

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by a director or NEO during the most recently two completed financial years.

Stock Options and Other Compensation Securities

The Company's current equity incentive plan (the "**Equity Incentive Plan**"), dated for reference January 11, 2022, was approved by shareholders at the Company's last annual general meeting that took place on February 23, 2022 and implemented upon the Change of Business of the Company on June 29, 2022. The Equity Incentive Plan provides for the grant of the following equity based compensation awards: (i) stock options of the Company; (ii) restricted share units of the Company; (iii) deferred share units of the Company; and (iv) performance share units of the Company (collectively, the "**Awards**").

The policies of the TSXV require all of its listed companies to have a security-based compensation plan if a company intends to issue compensation securities, as applicable. Pursuant to the policies of the TSXV, the Equity Incentive Plan requires Shareholder approval for continuation at every annual meeting of the Company by ordinary resolution.

The following information is intended as a brief description of the Equity Incentive Plan and is qualified in its entirety by the full text of the Equity Incentive Plan attached as Schedule “C” to this Circular.

The purpose of the Equity Incentive Plan is to provide the Resulting Issuer with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Resulting Issuer and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under the Equity Incentive Plan by the Resulting Issuer Board from time to time for their contributions toward the long-term goals and success of the Resulting Issuer and to enable and encourage such directors, employees and consultants to acquire common shares of the Resulting Issuer as long-term investments and proprietary interests in the Resulting Issuer.

Shares Subject to the Equity Incentive Plan

The Equity Incentive Plan is a hybrid plan which, subject to the adjustment provisions provided for therein, provides that the aggregate maximum number of shares that may be issued upon the exercise or settlement of Awards granted under the Equity Incentive Plan shall not exceed:

- (i) with respect to Shares reserved for issuance pursuant to Restricted Share Units, Performance Share Units or Deferred Share Units, 8,622,266 Shares (being ten percent (10%) of the Company’s total issued and outstanding Shares as of June 29, 2022); and
- (ii) 10% of the Company’s issued and outstanding shares as at the time of any grant.

The Equity Incentive Plan is not considered an “evergreen” plan, and the shares covered by Awards which have been exercised shall not be available for subsequent grants under the Equity Incentive Plan; provided, however, that any awards that have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under the Equity Incentive Plan.

Employment, Consulting and Management Agreements

The Company has no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the Company or change in a Named Executive Officer’s responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

Elements of the Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company’s officers and employees and overseeing the Company’s base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company’s senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company’s goals and objectives.

The general philosophy of the Company’s compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interest of shareholders; (c) provide a compensation package that is commensurate with other junior mining companies in order to attract and retain highly

qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

There are no identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. Directors and NEOs have not purchased financial instruments such as prepared variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly by the directors and NEOs.

Executive Compensation

During the two most recently completed financial years, NEO's received cash compensation for acting in their capacity as NEO's of the Company.

Director Compensation

During the two most recently completed financial years, the directors received cash compensation for acting in their capacity as directors of the Company.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Equity Incentive Plan, being the Company's only equity compensation plan as at December 31, 2022. The Equity Incentive Plan was last approved by the Shareholders at the Company's annual general meeting held on February 23, 2022.

Equity Compensation Plan Information

| | Number of securities to be issued upon exercise of outstanding options <small>(1)</small> | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|---|---|--|
| Plan Category | (a) | (b) | (c) |
| Equity Compensation Plans approved by Shareholders | 5,374,040 (options) Nil (RSU's, PSU's, DSU's) | \$0.445 N/A (RSU's, PSU's, DSU's) | 3,248,226 (options) 8,622,266 (RSU's, PSU's, DSU's) |
| Equity compensation plans not approved by Shareholders | N/A | N/A | N/A |
| Total | 5,374,000 | \$0.445 | 11,870,492 |

Notes:

(1) For a description of the terms of the Equity Incentive Plan see "Particulars of Matters to be Acted Upon -Approval of the Equity Incentive Plan".

Shareholders will be asked at the Meeting to pass an ordinary resolution approving the Equity Incentive Plan Resolution. See "Particulars of Matters to be Acted Upon - Approval of the Equity Incentive Plan".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At any time during the Company's last completed financial year, no director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer or employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness

is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below and elsewhere in this Information Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, common shares of the Company, or exercising control or direction over common shares of the Company, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company nor an associate or affiliate of any of the foregoing persons has since the commencement of the Company's most recently completed financial year any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

APPROVAL OF THE EQUITY INCENTIVE PLAN

The Board approved the Company's equity incentive plan (the "**Equity Incentive Plan**"), substantially in the form attached hereto as Schedule "C", on January 11, 2022, to become effective upon completion of the Change of Business, June 29, 2023, which provides for the grant of the following equity based compensation awards: (i) stock options of the Company; (ii) restricted share units of the Company; (iii) deferred share units of the Company; and (iv) performance share units of the Company (collectively, the "**Awards**").

The policies of the TSXV require all of its listed companies to have a security-based compensation plan if a company intends to issue compensation securities, as applicable. Pursuant to the policies of the TSXV, the Equity Incentive Plan requires Shareholder approval for continuation at every annual meeting of the Company by ordinary resolution.

The following information is intended as a brief description of the Equity Incentive Plan and is qualified in its entirety by the full text of the Equity Incentive Plan attached as Schedule "C" to this Circular.

The purpose of the Equity Incentive Plan is to provide the Resulting Issuer with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Resulting Issuer and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under the Equity Incentive Plan by the Resulting Issuer Board from time to time for their contributions toward the long-term goals and success of the Resulting Issuer and to enable and encourage such directors, employees and consultants to acquire common shares of the Resulting Issuer as long-term investments and proprietary interests in the Resulting Issuer.

Shares Subject to the Equity Incentive Plan

The Equity Incentive Plan is a hybrid plan which, subject to the adjustment provisions provided for therein, provides that the aggregate maximum number of shares that may be issued upon the exercise or settlement of Awards granted under the Equity Incentive Plan shall not exceed:

- (i) with respect to Shares reserved for issuance pursuant to Restricted Share Units, Performance Share Units or Deferred Share Units, 8,622,266 Shares (being ten percent (10%) of the Company's total issued and outstanding Shares as of June 29, 2022); and
- (ii) 10% of the Company's issued and outstanding shares as at the time of any grant.

The Equity Incentive Plan is not considered an “evergreen” plan, and the shares covered by Awards which have been exercised shall not be available for subsequent grants under the Equity Incentive Plan; provided, however, that any awards that have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under the Equity Incentive Plan.

Additional Limits on Awards

The Equity Incentive Plan also provides that the aggregate number of shares (a) issuable to insiders of the Company at any time (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding shares and (b) issued to insiders of the Company within any one year period (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding shares calculated at the time of issuance.

Furthermore, the following additional restrictions are imposed under the Equity Incentive Plan:

- (a) the aggregate number of shares which may be reserved for issuance to any one participant, together with all of the Company’s previously established or proposed equity-based compensation arrangements shall not exceed 5% of the issued and outstanding shares on the grant date or within any 12-month period;
- (b) the aggregate number of Awards granted to any consultant in any 12-month period must not exceed 2% of the issued and outstanding shares calculated at the grant date of each award;
- (c) the aggregate number of options granted to persons providing Investor Relations Activities (as such term is defined in the applicable policies of the TSXV) as compensation within a one-year period, shall not exceed 2% of the issued and outstanding shares in any 12-month period calculated at the grant date of each option; and
- (d) options issued to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the grant date and with no more than 25% of the options vesting in any three-month period.

Administration of the Equity Incentive Plan

The “Plan Administrator” is determined by the Board. The Equity Incentive Plan may in the future continue to be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, consultants and employees are eligible to receive awards under the Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which Awards may be granted or forfeited, the number of shares to be covered by any Award, the exercise price of any Award, whether restrictions or limitations are to be imposed on the shares issuable pursuant to grants of any Award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the Equity Incentive Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Eligibility

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

Types of Awards

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

Options

An option entitles a holder thereof to purchase a prescribed number of treasury shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each option is granted, which exercise price shall not be less than the TSXV Market Price (as such term is defined in the Equity Incentive Plan), as calculated under the policies of the TSXV.

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

Restricted Share Units

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

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the greater of (i) the Market Price (as such term is defined in the Equity Incentive Plan) of a share on the date of grant and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs.

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

No person retained to provide Investor Relations Activities shall receive any grant of RSUs.

Performance Share Units

A performance share unit is a unit equivalent in value to a share credited by means of a bookkeeping entry in the books of the Company, which entitles the holder to receive one share (or the value thereof) for each performance share unit after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied (a "**PSU**"). The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "**PSU Service Year**").

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

No person retained to provide Investor Relations Activities shall receive any grant of PSUs.

Deferred Share Units

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

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, DSUs shall vest immediately upon grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of Director Fees that are to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price of a share on the date of grant. Upon settlement, holders will redeem each vested DSU for: (a) one fully paid and non-assessable share issued from treasury in respect of each vested DSU, or (b) at the election of the holder and subject to the approval of the Plan Administrator, a cash payment on the date of settlement. Any cash payments made under the Equity Incentive Plan by the Resulting Issuer to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per share as at the settlement date.

No person retained to provide Investor Relations Activities shall receive any grant of DSUs.

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs,

PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

At the Meeting, the Shareholders of the Company will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution (the “**Equity Incentive Plan Resolution**”) confirming and approving the Equity Incentive Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Equity Incentive Plan is as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the Shareholders of the Company that:

1. the security-based compensation plan of the Company, in substantially the form attached as Schedule “C” to the management information circular prepared for the purposes of the annual general and special meeting of holders of common shares of the Company (the “**Plan**”), be and is hereby approved and adopted as the security-based compensation plan of the Company;
2. any one director or officer may amend the form of the Plan in order to satisfy the requirements or requests of any regulatory authorities, including the TSXV, without requiring further approval of the shareholders of the Company;
3. the board of directors be and is hereby authorized and empowered to revoke these resolutions and not proceed with the adoption of the Plan without requiring further approval of the shareholders of the Company; and
4. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Company and recommends that the Shareholders vote IN FAVOUR of the Equity Incentive Plan Resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed instrument of proxy to vote proxies in favour of above resolutions.**

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com “Company Profiles - Klimat X Developments Inc.”. The Company’s financial information is provided in the Company’s audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Company at Suite 1012 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3, Telephone No.: 604-562-4546. Email: dtopolewski@cdmcp.com. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this information circular.

The contents of this information circular and its distribution to shareholders have been approved by the Board of the Company.

DATED at Vancouver, British Columbia this 6th day of April, 2023.

BY ORDER OF THE BOARD

“Dr. James Tansey”

Dr. James Tansey
Chief Executive Officer

SCHEDULE "A"

CHANGE OF AUDITOR REPORTING PACKAGE

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

SCHEDULE "C"
EQUITY INCENTIVE PLAN

KLIMAT X DEVELOPMENTS INC.

390 – 1050 Homer St.,
Vancouver, BC V6B 2W9

NOTICE OF CHANGE OF AUDITOR

To: BDO Canada LLP
And to: MNP LLP
And to: The British Columbia Securities Commission
And to: The Alberta Securities Commission
And to: The TSX Venture Exchange

TAKE NOTICE THAT effective December 1, 2022, MNP LLP, the current auditor of Klimat X Developments Inc. (the “**Company**”), resigned as auditor at the Company’s request. Management of the Company will fill the vacancy by appointing BDO Canada LLP as auditor of the Company.

TAKE FURTHER NOTICE THAT:

- (a) there have been no reservations contained in the auditor’s reports on the annual financial statements of the Company for the two fiscal years immediately preceding the date of this notice or for any period subsequent to the most recently completed period for which an audit report was issued;
- (b) the resignation of MNP LLP and the appointment of BDO Canada LLP was considered and approved by the board of directors of the Company; and
- (c) in the opinion of the Company, no reportable events (as defined in National Instrument 51-102) occurred. “Reportable Event” means disagreements or unresolved issues between the Company and MNP LLP and consultations between the Company and BDO Canada LLP.

Dated at Vancouver, British Columbia this 1st day of December, 2022.

BY ORDER OF THE BOARD

KLIMAT X DEVELOPMENTS INC.

Per:

“James Tansey”

James Tansey
Chief Executive Officer



Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7
Canada

December 1, 2022

To: Alberta Securities Commission
British Columbia Securities Commission
TSX Venture Exchange

Dear Sirs/Mesdames:

Re: Notice of Change of Auditor - Klimat X Developments Inc.

We acknowledge receipt of a Notice of Change of Auditor dated December 1, 2022 (the **Notice**) delivered to us by Klimat X Developments Inc. (the **Company**) in respect of the change of auditor of the Company.

Pursuant to Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*, we confirm we have read the Notice and confirm our agreement with the statements concerning BDO Canada LLP contained in the Notice, based on our knowledge as at the date of this letter.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants

December 1, 2022

TO: Alberta Securities Commission
British Columbia Securities Commission
The TSX Venture Exchange

Dear Sirs/Madams:

Re: Klimat X Developments Inc (the “Company”)

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, we have reviewed the information contained in the Notice of Change of Auditor of the Company dated December 1, 2022 (“the Notice”) and, based on our knowledge of such information at this time, we agree with the statements made in the Notice pertaining to our firm. We advise that we have no basis to agree or disagree with the comments in the Notice relating to BDO Canada LLP.



Yours very truly,
Chartered Professional Accountants
Vancouver, BC

KLIMAT X DEVELOPMENTS INC.

AUDIT COMMITTEE CHARTER

1. Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) in fulfilling its financial oversight responsibilities and in ensuring the integrity of financial reporting and accounting control policies and practices. The Committee approves, monitors, evaluates, advises and makes recommendation in accordance with these terms of reference by reviewing the financial reports and other financial information provided by the Senior Management of Earl Resources Limited (the “**Company**”) to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing (including both internal, if any and external audits), accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to oversee the Company’s accounting and financial reporting processes and internal control system including assessing the reasonableness of management accounting judgements and estimates;
- (b) review the Company’s financial statements;
- (c) request such information and explanations in regard to the accounts of the Company as the Committee may consider necessary and appropriate to carry out its duties and responsibilities;
- (d) oversee the audit of the Company’s financial statements;
- (e) oversee, review and appraise the qualifications, independence and the performance of the Company’s external auditors;
- (f) oversee the Company’s compliance with legal and regulatory requirements as they relate to accounting and financial controls and anti-corruption and bribery issues;
- (g) provide an open avenue of communication among the Company’s auditors, senior management and the Board;
- (h) consider any other matters which, in the opinion of the Committee or at the request of the Board would assist the Company in risk management; and
- (i) maintain the Whistleblower Policy communication channel to the chair of the Audit Committee (the “**Chair**”) and whistleblower procedures for the receipt, retention, and treatment of complaints.

For greater clarity, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statement are complete, accurate and in accordance with Generally Accepted Accounting Principles,

2. Composition and Operation

The Committee is appointed by and shall be comprised of three or more directors as determined by the Board. Each member of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time (“**NI 52-110**”). No member of

the Committee is permitted to have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years.

All members of the Committee shall be, in the determination of the Board, “financially literate”, as that term is defined by NI 52-110. Each member of the Committee shall be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement.

The Committee members shall be appointed by the Board annually and the Board may at any time remove or replace any member of the Committee and may fill any vacancy with another Board member, as required.

The Board shall appoint the Chair from among the Committee members, preferably possessing a recognized professional accounting designation. If the Chair is not present at any meeting of the Committee, one of the other Committee members present at the meeting shall be chosen by the Committee to preside as the chairperson at the meeting.

Attendance by invitation at all of or a portion of Committee meetings is determined by the CEO or the Chair and would normally include the CEO and CFO of Company, representatives of the external auditors and such other officers or support staff as may be deemed appropriate.

The Committee shall meet a least quarterly.

A majority of members shall constitute a quorum for meetings of the Committee, present in person or via telephone or via other telecommunication device that permits all persons participating in the meeting to speak and hear one another.

The Committee shall fix its own procedures for meetings, keep records of its proceedings, and report to the Board routinely. These procedures will include delivery of notices, agendas, minutes and supporting materials to the Committee members at least (5) days prior to the meeting except in unusual circumstances.

The Committee may engage independent counsel and other advisors as may be deemed or considered necessary and determine the fees of such counsel and advisors.

The Committee shall hold regular in-camera sessions at each meeting, during which the members of the Committee shall meet in the absence of management.

The Committee may act by unanimous written consent of its members. A resolution approved in writing by the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting.

No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present, or by a unanimous written consent.

Members shall be provided with a minimum of 48 hours’ notice of meetings. The notice period may be waived by all members of the Committee.

3. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

(a) *Documents/Reports Review*

- (i) Review this Charter annually, and recommend to the Board any necessary amendments;

- (ii) Review and recommend to the Board for approval the audited annual financial statements, with the report of the external auditor, and corresponding management's discussion and analysis prior to public dissemination and filing with securities regulatory authorities;
- (iii) Review and approve, or recommend to the Board for approval, the quarterly financial statements of the Company and corresponding management's discussion and analysis prior to public dissemination and filing with securities regulatory authorities;
- (iv) Review any other financial disclosure documents that contain material financial information about the Company requiring approval by the Board prior to public dissemination and/or filing with any governmental and/or regulatory authority, including, but not limited to press releases, annual reports, annual information forms, and prospectuses, offering memorandum, or registration statements;
- (v) Review the Company's disclosure in the Management Information Circular and proxy materials including the Committee's composition and responsibilities and how they are discharged; and
- (vi) Review and recommend any changes to the Company's Disclosure Policy.

(b) *External Auditors*

"External auditor" as used here shall mean any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such external auditor shall report directly to the Committee. With respect to the external auditor, the Committee shall:

- (i) Review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (ii) Review annually management's recommendations for the appointment or reappointment of the external auditor, the terms of the external auditors engagement, the appropriateness and reasonableness of the proposed audit fees and any unpaid fees;
- (iii) Recommend to the Board the appointment, retention and replacement of the external auditors nominated annually for shareholder approval;
- (iv) Where there is to be a change in the external auditor, review all issues related to the change, the planned steps for an orderly transition and present the Audit Committee's recommendation to the Board for approval;
- (v) Review with management and the external auditors the audit plan for the year-end financial statements and execute the annual engagement letter with the external auditor and ensure there is a clear understanding between the Board, the Committee, the external auditor and management that the external auditor reported to shareholders and Board through the Committee. The terms of the annual audit plan should include, but not be limited to, the following:
 - staffing
 - objective and scope of the external audit work

- materiality limits
 - audit and review reports required,
 - areas of audit risk
 - timetable and proposed fees;
- (vi) Make recommendations to the Board with respect to the compensation of the external auditor, assess whether fees and any other compensation to be paid to the external auditor for audit or non-audit services are appropriate to enable an audit to be conducted and to maintain the independence of the external auditor;
- (vii) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto and any non-audit services provided by the Company's external auditors. The pre-approval of non-audit services may be delegated to one or more Committee members so long as any such pre-approval decisions are presented to the full Committee at the next scheduled meeting;
- (viii) At least annually, and before the auditors issue their report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other applicable requirements including being in good standing. The Committee shall take appropriate action to oversee the independence of the auditors and regarding audit partner rotation;
- (ix) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (x) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors;
- (xi) Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (xii) Review with the external auditor the results of the annual audit and if applicable interim audits, including but not limited to the following:
- any difficulties encountered, or restrictions imposed by management, during the annual audit;
 - any significant accounting or financial reporting issue;
 - the auditor's evaluation of Company's internal controls over financial reporting and management evaluation thereon, including internal control deficiencies identified by the auditor contained in the management letter that have not been previously reported to the Audit Committee;

- the auditor's evaluation of the selection and application of accounting principles and estimates and the presentation of disclosures;
 - the post-audit or management letter or other material written communication contain any finding or recommendation of the external auditor including management response thereto and the subsequent follow up to any identified internal accounting control weaknesses; and
 - any other matters which the external auditor should bring to the attention of the Committee;
- (xiii) At each year-end audit meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (xiv) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and
- (xv) Review with management and the external auditor any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

(c) *Financial Reporting Processes*

- (i) In consultation with the external auditors, review with management the integrity (quality and acceptability) of the Company's financial reporting process, both internal and external. Such integrity assessment should encompass judgements about the appropriateness, aggressiveness or conservatism of estimates and elective accounting principles or methods and judgements about the clarity of disclosures;
- (ii) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (iii) Review any new or pending developments in accounting and reporting standards that may affect the Company, consider the appropriateness of accounting policies and financial reporting practices including alternative treatments that are available for consideration and proposed changes and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (iv) Review key estimates and significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (v) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (vi) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements. Where there are significant

unsettled issues, the Committee shall ensure that there is an agreed course of action for the resolution of such matters;

- (vii) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
 - (viii) Review certification process;
 - (ix) Establish “whistleblower” procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion. Such procedures shall be reviewed annually by the Committee and any suggested changes shall be submitted to the Board for its approval;
 - (x) Review any related-party transactions;
 - (xi) Review with management on at least an annual basis, any material obligations that have been entered into including any off-balance sheet transactions, any litigation, claim or other contingency including tax assessments that could have a material effect upon the financial position or operating results or any compliance requirements and the manner in which they should be disclosed; and
 - (xii) Review appointment of the Chief Financial Officer and any key financial officers involved in the financial reporting process.
- (d) *Internal Controls and Internal Audit*
- (i) Review on a periodic basis the need for an internal audit function and assess the control systems in place that mitigate the need for an internal audit function;
 - (ii) Obtain reasonable assurance, by discussions with and reports from management and the external auditor that the accounting systems are reliable, the system and security for preparation of financial data reported is adequate and effective and that the system of internal controls over financial reporting is effectively designed and implemented;
 - (iii) Discuss and review with management, the policies and procedures designed to prevent, identify and detect fraud;
 - (iv) Receive reports from management on all significant internal control deficiencies and material weaknesses related to financial reporting as identified by management;
 - (v) Assess cybersecurity and address weaknesses and exposures; and
 - (vi) Review annually the approval policies and practices concerning the expenses of the Board.

- (e) *Ethical and Legal Compliance and Risk Management*
- (i) Review the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
 - (ii) Review the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems, financial controls and management reporting;
 - (iii) In conjunction with any other committee designated by the Board from time to time, review major financial, audit and accounting related risks and the policies, guidelines and mechanisms that management has put in place to govern the process of monitoring, controlling and reporting such risks;
 - (iv) Review and determine the disposition of any complaints received from any regulatory body; and
 - (v) Annually review with management, adequacy of insurance coverage including renewal, reasons for change or proposed change in insurance brokers, a list of significant business risks to the Company that are not or cannot be insured, such list will include a description of the risk, together with procedures or policies in place to manage the risk.
- (f) *Anti-Bribery and Anti-Corruption*
- (i) Review the principal anti-bribery and anti-corruption risks in the Company's business activities and provide oversight of appropriate systems to manage such risk as applicable to the Company;
 - (ii) Review and monitor the anti- bribery and anti-corruption policies and activities of the Company on behalf of the Board to ensure compliance with applicable laws, legislation and policies as they relate to anti- corruption and anti-bribery issues; and
 - (iii) In the event of the occurrence of a corruption or bribery incident, receive and review, without delay, a report from management detailing the nature of the incident. Such report is to be made to the Committee in its entirety, and the Committee will immediately inform the Board at large, which will review the incident and to determine the Company's disclosure obligations if any.

4. Authority

The Committee:

- (a) Has the authority to communicate directly with officers and employees of the Company, its auditors, legal counsel and to such information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities. This extends to the requiring the external auditor to report directly to the Committee;
- (b) Has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors; and

- (c) Shall be provided appropriate funding from the Company, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company, to any advisors employed by the Committee, and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall also have such other powers and duties as delegated to it by the Board.

5. Accountability

The Committee Chair has the responsibility to report to the Board, as requested, on accounting and financial matters relative to the Company.

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

Adopted and approved by the Board of the Corporation effective as of December 9, 2021.

KLIMAT X DEVELOPMENTS INC.

OMNIBUS EQUITY INCENTIVE PLAN

APPROVED BY THE BOARD OF DIRECTORS ON JANUARY 11, 2022

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OMNIBUS EQUITY INCENTIVE PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

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

ARTICLE 2 INTERPRETATION

2.1 Definitions

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

- (a) “**Affiliate**” means any entity that is an “**affiliate**” for the purposes of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time;
- (b) “**Award**” means any Option, Restricted Share Unit, Performance Share Unit, or Deferred Share Unit granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;
- (c) “**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;
- (d) “**Board**” means the board of directors of the Corporation as it may be constituted from time to time;
- (e) “**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Vancouver are open for commercial business during normal banking hours;
- (f) “**Canadian Taxpayer**” means a Participant that is resident of Canada for purposes of the *Tax Act*;
- (g) “**Cash Fees**” has the meaning set forth in Subsection 7.1(a);
- (h) “**Net Exercise**” has the meaning set forth in Subsection 4.5(b);
- (i) “**Cause**” means, with respect to a particular Participant:

- (i) “cause” (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
 - (iii) in the event neither (i) nor (ii) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (A) an employer may terminate an individual’s employment without notice or pay in lieu thereof or other damages, or (B) the Corporation or any subsidiary thereof may terminate the Participant’s employment without notice or without pay in lieu thereof or other termination fee or damages, or (C) the Corporation or any subsidiary thereof may terminate the Participant’s employment without providing the minimum entitlements to notice and, if applicable, severance pay under provincial employment standards legislation;
- (j) **“Change in Control”** means the occurrence of any one or more of the following events:
- (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert hereafter acquires the direct or indirect “beneficial ownership” (as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than fifty percent (50%) of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
 - (ii) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;
 - (iii) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;
 - (iv) the occurrence of a transaction requiring approval of the Corporation’s shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation);
 - (v) individuals who comprise the Board as of the date hereof (the **“Incumbent Board”**) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation’s shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board; or
 - (vi) any other event which the Board determines to constitute a change in control of the Corporation,

provided that, notwithstanding clause (i), (ii), (iii) and (iv) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause(i), (ii), (iii) or (iv) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (ii) above) (the “**Surviving Entity**”) that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (“**voting power**”) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of one-hundred percent (100%) of the securities eligible to elect directors or trustees of the Surviving Entity (the “**Parent Entity**”) that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a “**Non-Qualifying Transaction**” and, following the Non-Qualifying Transaction, references in this definition of “**Change in Control**” to the “**Corporation**” shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the “**Board**” shall mean and refer to the board of directors or trustees, as applicable, of such entity). Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code;

- (k) “**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;
- (l) “**Committee**” has the meaning set forth in Section 3.2;
- (m) “**Consultant**” means any individual, entity or other Person engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services; provided, however, that at the time any Consultant receives any offer of Award or executes any Award Agreement, such Consultant must be a Person, and must agree to provide bona fide services to that Corporation that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation’s securities;
- (n) “**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:
 - (i) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;

- (ii) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (iii) when applied in relation to a trust, the beneficial ownership at the relevant time of more than fifty percent (50%) of the property settled under the trust, and

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

- (o) “**Corporation**” means Klimat X Developments Inc., or any successor entity thereof;
- (p) “**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;
- (q) “**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 7;
- (r) “**Director**” means a director of the Corporation who is not an Employee;
- (s) “**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a director of the Corporation in a calendar year for service on the Board;
- (t) “**Disabled**” or “**Disability**” means, with respect to a particular Participant:
 - (i) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
 - (iii) in the event neither (i) or (ii) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;
- (u) “**Discounted Market Price**” has the meaning given to such term in Exchange Policy 1.1, as amended, supplemented or replaced from time to time;
- (v) “**Effective Date**” means the effective date of this Plan, the closing date of the “Change of Business” of the Corporation (as such term is defined in Exchange Policy 5.2 – *Changes of*

Business and Reverse Takeovers), subject to the approval of the shareholders of the Corporation;

- (w) “**Elected Amount**” has the meaning set forth in Subsection 7.1(a);
- (x) “**Electing Person**” means a Participant who is, on the applicable Election Date, a Director or an Employee;
- (y) “**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);
- (z) “**Election Notice**” has the meaning set forth in Subsection 7.1(b);
- (aa) “**Employee**” means an individual who:
 - (i) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
 - (ii) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary.
- (bb) “**Exchange**” means the TSX Venture Exchange, or the primary exchange on which the Shares are then listed, as determined by the Plan Administrator, if the TSX Venture Exchange is no longer the Corporation’s primary exchange, or if the Shares are no longer listed on the TSX Venture Exchange;
- (cc) “**Exchange Policy**” means the Exchange Corporate Finance Policies;
- (dd) “**Exercise Notice**” means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;
- (ee) “**Exercise Price**” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;
- (ff) “**Expiry Date**” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;
- (gg) “**In-the-Money Amount**” has the meaning given to it in Subsection 4.5(b);
- (hh) “**Insider**” means an “**insider**” as defined in the rules of the Exchange from time to time;
- (ii) “**Investor Relations Activities**” has the meaning given to it in Exchange Policy 1.1 – *Definitions*, as amended, supplemented or replaced from time to time;
- (jj) “**Investor Relations Service Provider**” includes any Consultant that performs Investor Relations Activities and any Director or Employee whose role and duties primarily consist of Investor Relations Activities;

- (kk) “**Market Price**” at any date in respect of the Shares shall be the volume weighted average trading price of Shares on the Exchange for the five trading days immediately preceding the Date of Grant; provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange; and provided, further, that with respect to an Award made to a U.S. Taxpayer such Participant, the class of Shares and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;
- (ll) “**Option**” means a right to purchase Shares under Article 4 of this Plan that is non–assignable and non–transferable, unless otherwise approved by the Plan Administrator;
- (mm) “**Option Shares**” means Shares issuable by the Corporation upon the exercise of outstanding Options;
- (nn) “**Participant**” means a Director, Employee or Consultant to whom an Award has been granted under this Plan;
- (oo) “**Performance Goals**” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;
- (pp) “**Performance Share Unit**” or “**PSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;
- (qq) “**Person**” means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (rr) “**Plan**” means this Omnibus Equity Incentive Plan, as may be amended from time to time;
- (ss) “**Plan Administrator**” means the Board, or if the administration of this Plan has been delegated by the Board to the Committee or sub-delegated to a member of the Committee or officer of the Corporation pursuant to Section 3.2, the Committee or sub-delegate, as the case may be;
- (tt) “**PSU Service Year**” has the meaning given to it in Section 6.1;
- (uu) “**Restricted Share Unit**” or “**RSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;
- (vv) “**Retirement**” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at such retirement age to which the Plan Administrator has consented, other than on account of the Participant’s termination of service by the Corporation or its subsidiary for Cause and provided that for U.S. Taxpayers such Retirement also constitutes a Separation from Service within the meaning of Section 409A of the Code;

- (ww) “**RSU Service Year**” has the meaning given to it in Section 5.1;
- (xx) “**Section 409A of the Code**” or “**Section 409A**” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;
- (yy) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;
- (zz) “**Security Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (aaa) “**Separation from Service**” means a separation from service within the meaning of Section 409A of the Code;
- (bbb) “**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;
- (ccc) “**subsidiary**” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;
- (ddd) “**Tax Act**” has the meaning set forth in Section 4.5(d);
- (eee) “**Termination Date**” means, subject to applicable law which cannot be waived:
- (i) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;
 - (ii) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or

the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and

- (iii) in the case of a Director, the date such individual ceases to be a Director, in each case, unless the individual continues to be a Participant in another capacity.

Notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a Separation from Service;

- (fff) “**TSXV Market Price**” means the closing price of the Shares on the Exchange on the last trading day preceding the date on which the grant of Options is approved by the Board, 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;
- (ggg) “**U.S.**” or “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
- (hhh) “**U.S. Person**” shall mean a “**U.S. person**” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person);
- (iii) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended; and
- (jjj) “**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject to taxation under applicable U.S. tax laws.

2.2 Interpretation

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

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

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

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

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

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

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

3.4 Eligibility

All Directors, Employees and Consultants are eligible to participate in the Plan, subject to Section 9.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Plan Administrator shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Without limiting the generality of the foregoing, all Awards

shall be issued pursuant to the registration requirements of the U.S. Securities Act, or pursuant an exemption or exclusion from such registration requirements. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 10 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan and under any other Security Based Compensation Arrangement shall not exceed:
 - (i) with respect to Shares reserved for issuance pursuant to Restricted Share Units, Performance Share Units or Deferred Share Units, ten percent (10%) of the Corporation's total issued and outstanding Shares as of the Effective Date; and
 - (ii) with respect to Shares reserved for issuance pursuant to Options, ten percent (10%) of the Corporation's total issued and outstanding Shares as at the time of the applicable Option grant,

or such other number as may be approved by the Exchange and the shareholders of the Corporation from time to time, provided that the shareholder approval referred to herein must be obtained on a "disinterested" basis in compliance with the applicable policies of the Exchange. This Plan is not considered an "evergreen" plan, and the Shares covered by Awards which have been exercised shall not be available for subsequent grants under the Plan.

- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered or settled by the Participant, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan, the maximum aggregate number of Shares:

- (a) issuable to Insiders at any time, under all of the Corporation's Security-Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares at any point in time (unless the Corporation receives Shareholder approval on a "disinterested" basis in compliance with the applicable policies of the Exchange), provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation;
- (b) issued to Insiders within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares calculated as at the date any Award is granted or issued to any Insider (unless the Corporation receives Shareholder approval on a "disinterested" basis in compliance

with the applicable policies of the Exchange), provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation;

- (c) which may be reserved for issuance to any one Participant under the Plan together with all of the Corporation's other previously established or proposed Security Based Compensation Arrangements shall not exceed five percent (5%) of the issued and outstanding Shares on the grant date or within any 12-month period (in each case on a non-diluted basis), unless the Corporation receives Shareholder approval on a "disinterested" basis in compliance with the applicable policies of the Exchange;
- (d) issued to any one Consultant within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Corporation's issued and outstanding Shares calculated as at the date any Award is granted or issued to the Consultant;
- (e) issued or issuable to Investor Relations Service Providers within any one (1) year period, pursuant to any Options issued under the Corporation's Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Corporation's issued and outstanding Shares calculated as at the date any Award is granted or issued to any such Investor Relations Service Provider (and including any Participant that performs Investor Relations Activities and/or whose sole role or duties primarily consist of Investor Relations Activities), it being understood that Investor Relations Service Providers may not receive any Awards other than Options for the provision of Investor Relations Activities;
- (f) 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 twenty five percent (25%) of the Options vesting in any three month period, notwithstanding any other provision of this Plan; and
- (g) Awards, other than Options, must vest in a period of not less than 12 months from the date of grant of the Award.

3.8 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one (1) year from the Participant's death.

ARTICLE 4 OPTIONS

4.1 Granting of Options

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.
- (b) Notwithstanding any other provision of this Plan, at all times where the Shares are listed on the Exchange, the Corporation shall maintain timely disclosure and file appropriate documentation in connection with Option grants made under this Plan in accordance with Exchange Policy 4.4 – *Security Based Compensation*.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the TSXV Market Price (taking into account the Discounted Market Price), on the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date, provided that, unless approval has been obtained pursuant to Section 12.2(a)(vi), no Option shall have an Expiry Date that exceeds ten (10) years from the date of grant.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options, provided that so long as the Shares are listed on the Exchange, such vesting terms are in compliance with Exchange Policy 4.4 – *Security Based Compensation*.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer,

bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, or (ii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.

- (b) Unless otherwise specified by the Plan Administrator and set forth in the particular Award Agreement, a Participant (other than an Investor Relations Service Provider) may, but only if permitted by the Plan Administrator an completed in accordance with Exchange Policy 4.4 – *Security Based Compensation*, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a “**Net Exercise**”) in consideration for the number of Shares that is equal to the quotient obtained by dividing (i) the product of the number of Options being exercised multiplied by the difference between the Market Price of the Shares and the exercise of the subject Options; by (ii) the Market Price of the subject Shares underlying the applicable Options (the “**In-the-Money Amount**”), by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Net Exercise, and such other information that the Corporation may require. Subject to Section 8.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the eligible Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.
- (c) No Shares will be issued or transferred until full payment therefor has been received by the Corporation, or arrangements for such payment have been made to the satisfaction of the Plan Administrator.
- (d) If a Participant surrenders Options through a Net Exercise pursuant to Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**”). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, or at the election of a Participant, but subject to the approval of the Plan Administrator, a cash payment or a combination of Shares and cash (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its sole discretion.

- (c) Notwithstanding any other provision of this Plan, no person retained to provide Investor Relations Activities shall receive any grant of RSUs in compliance with Exchange Policy 4.4 – *Security Based Compensation*.

5.2 RSU Account

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

5.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that: (i) the terms comply with Section 409A, with respect to a U.S. Taxpayer; and (ii) the RSUs do not vest before the date that is one (1) year following the date such RSU is granted or issued.

5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine any other settlement terms applicable to the grant of RSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for one fully paid and non-assessable Share issued from treasury to the Participant, or the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) a cash payment, or
 - (ii) a combination of fully paid and non-assessable Shares issued from treasury to the Participant and a cash payment.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation’s payroll in the pay period that the settlement date falls within.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Granting of PSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**PSU Service Year**”). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

- (b) Notwithstanding any other provision of this Plan, no person retained to provide Investor Relations Activities shall receive any grant of PSUs in compliance with Exchange Policy 4.4 – *Security Based Compensation*.

6.2 Terms of PSUs

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

6.3 Performance Goals

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

6.4 PSU Account

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

6.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that: (i) the terms comply with Section 409A, with respect to a U.S. Taxpayer; and (ii) the PSUs do not vest before the date that is one (1) year following the date such PSU is granted or issued.

6.6 Settlement of PSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.

- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but, in the case of a U.S. Taxpayer, subject to Section 11.6(d) below and except, in the case of a U.S. Taxpayer, as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.

ARTICLE 7 DEFERRED SHARE UNITS

7.1 Granting of DSUs

- (a) The Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The "**Elected Amount**" shall be an amount, as elected by the Director, in accordance with applicable tax law, between zero percent (0%) and one hundred percent (100%) of any Director Fees that would otherwise be paid in cash (the "**Cash Fees**").
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule A hereto (the "**Election Notice**") with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply (other than for Director Fees payable for the 2022 financial year, in which case any Electing Person who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of the first year in which an Electing Person who is a U.S. Taxpayer first becomes an Electing Person under the Plan (or any plan required to be aggregated with the Plan under Section 409A), an initial Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the end of the 30-day election period. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the election of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice. In the case of an Electing Person who is a U.S. Taxpayer, his or her election under Section 7.1(b) shall be deemed to apply to all Cash Fees that are earned after the Election Date. An Electing Person is not required to file another Election Notice for subsequent calendar years.
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of **Error! Reference source not found.** Such termination

shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any calendar year (or portion thereof) is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule A is delivered.

- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of Director Fees that are to be paid as DSUs, as determined by the Plan Administrator or Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant.
- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.
- (h) Notwithstanding any other provision of this Plan, no person retained to provide Investor Relations Activities shall receive any grant of DSUs in compliance with Exchange Policy 4.4 – *Security Based Compensation*.

7.2 DSU Account

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

7.3 Vesting of DSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that: (i) the terms comply with Section 409A, with respect to a U.S. Taxpayer; and (ii) the DSUs do not vest before the date that is one (1) year following the date such PSU is granted or issued

7.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, for a Participant who is not a U.S. Taxpayer the settlement date shall be the date determined by the Participant (which date shall not be earlier than the Termination Date or later than the end of the first calendar year commencing after the Termination Date), and for a Participant who is a U.S. taxpayer, the settlement date shall be the date determined by the Participant in accordance with the Election Notice (which date shall not be earlier than the “**separation from service**” (within the meaning of Section 409A)). On the settlement date for any DSU, the Participant shall redeem each vested DSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or
- (i) at the election of the Participant and subject to the approval of the Plan Administrator, a cash payment.
- (b) Any cash payments made under this Section 7.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll or in such other manner as determined by the Corporation.

7.5 No Additional Amount or Benefit

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

ARTICLE 8 ADDITIONAL AWARD TERMS

8.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, an Award of RSUs, PSUs and DSUs shall include the right for such RSUs, PSUs and DSUs be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs and DSUs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, and 7.4 respectively.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

8.2 Black-out Period

In the event that an Award expires, has a redemption date or has a settlement date, at a time when a scheduled blackout is in place in accordance with the policies of the Corporation or an *bona fide* undisclosed material change or material fact in the affairs of the Corporation exists, the expiry, redemption date or settlement date of such Award will be the date that is 10 Business Days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact. Notwithstanding the foregoing, the extension of the redemption time or settlement date for an Award as provided in this Section 8.2 is subject to a cease trade order (or similar order under Securities Laws) in respect of the securities of the Corporation.

8.3 Withholding Taxes

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

8.4 Recoupment

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

8.5 Hold Period

The granting of an Award (i) to Insiders, or (ii) where the exercise price is at a discount to the TSXV Market Price, shall be subject to a four-month hold period in compliance with the policies of the Exchange.

ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES

9.1 Termination of Employee, Consultant or Director

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

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised, surrendered or settled as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;
- (b) where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice), then any unvested Options or other Awards which would otherwise vest or become exercisable in accordance with its terms based solely on the Participant remaining in the service of the Corporation or a subsidiary on or prior to the

date that is 90 days after the Termination Date shall immediately vest. Any vested Options may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, that is held by a Participant who is not a U.S. Taxpayer, such Award will be settled within 90 days after the Termination Date. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the Termination Date, vested DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 9.1(b) will be settled within 90 days after the Termination Date, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the Termination Date occurs;

- (c) where a Participant's employment, consulting agreement or arrangement terminates on account of his or her becoming Disabled, then any Award held by the Participant that has not vested as of the date of the Participant's Termination Date shall vest on such date. Any vested Option may be exercised by the Participant at any time until the Expiry Date of such Option. Any vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, will be settled within 90 days after the Termination Date. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the Termination Date, vested DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 9.1(c) will be settled within 90 days after the Termination Date, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the Termination Date occurs;
- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Award that is held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the first anniversary of the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, such Award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the date of death, vested DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 9.1(d) will be settled within 90 days after the date of death, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the death occurs;
- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to the Participant's Retirement, then (i) any outstanding Award that vests or becomes exercisable in accordance with its terms based solely on the Participant remaining in the service of the Corporation or a subsidiary will become one hundred percent (100%) vested, and (ii) any outstanding Award that vests based on the achievement of Performance Goals and that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the third anniversary of the Participant's date of Retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately

forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option that is described in (i), such Award will be settled within 90 days after the Participant's Retirement. In the case of a vested Award other than an Option that is described in (ii), such Award will be settled at the same time the Award would otherwise have been settled had the Participant remained in active service with the Corporation or a subsidiary. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;

- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
 - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
 - (ii) the date of the death, Disability or Retirement of the Participant;
- (g) notwithstanding Subsection 9.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, but with due regard for Section 409A, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation; and
- (h) for greater clarity, except as otherwise provided in an applicable Award Agreement or employment agreement, and notwithstanding any other provision of this Section 9.1, in the case of an Award (other than an Option or DSU) that is granted to a U.S. Taxpayer and that becomes vested (in whole or in part) pursuant to this Section 9.1 upon the Participant's Termination Date, such Award will, subject to Section 11.6(d), be settled as soon as administratively practicable following the Participant's Termination Date but in no event later than 90 days following the Participant's Termination Date, provided that if such Award is a PSU, settlement will occur no later than March 15th of the year immediately following the calendar year in which the Termination Date occurs. In the case of an Award (other than an Option or DSU) granted to a U.S. Taxpayer that remains eligible to vest (in whole or in part) following a Participant's termination of service based upon the achievement of one or more Performance Goals, such Award will be settled at the earlier of (i) the originally scheduled settlement date at the end of the performance period (to the extent Performance Goals are achieved) and (ii) the date on which performance vesting conditions are waived, or are deemed satisfied pursuant to the terms of the applicable Award Agreement. DSUs will be settled in accordance with the U.S. Taxpayer's Election Notice (Schedule A hereto).

9.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 3.7(g) and Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in Section 9.1, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards

(subject to compliance with Exchange Policy 4.4 – *Security Based Compensation*), all in the manner and on the terms as may be authorized by the Plan Administrator, taking into consideration the requirements of Section 409A of the Code, to the extent applicable, with respect to Awards of U.S. Taxpayers.

ARTICLE 10 EVENTS AFFECTING THE CORPORATION

10.1 General

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

10.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to this Section 10.2, but notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant’s rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant’s rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board of Directors in its sole discretion where such replacement would not adversely affect the holder; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change in Control other than rights to acquire shares or units of a “mutual fund trust” (as defined in the Tax Act), of the Corporation or a “qualifying person” (as defined in the Tax Act) that does not deal at arm’s length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.
- (b) Notwithstanding Section 9.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant,

if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:

- (i) any unvested Awards held by the Participant at the Termination Date shall immediately vest; and
 - (ii) any vested Awards of Participants may, subject to Section 6.6(d) (where applicable), be exercised, surrendered or settled by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that any vested Awards (other than Options) granted to U.S. Taxpayers will be settled within 90 days of the Participant's "separation from service". Any Award that has not been exercised, surrendered or settled at the end of such period will be immediately forfeited and cancelled.
- (c) Notwithstanding Subsection 10.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, provided that any vested Awards granted to U.S. Taxpayers will be settled within 90 days of the Change in Control.
- (d) It is intended that any actions taken under this Section 10.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

10.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.4 Other Events Affecting the Corporation

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

10.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards, provided that any such adjustments or acceleration of vesting undertaken pursuant to sections 10.3, 10.4 or 10.5 shall be undertaken only to the extent they will not result in adverse tax consequences under Section 409A of the Code.

10.6 Issue by Corporation of Additional Shares

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

10.7 Fractions

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

ARTICLE 11 U.S. TAXPAYERS

11.1 Provisions for U.S. Taxpayers

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

11.2 ISOs

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Corporation, or of a “parent corporation” or “subsidiary corporation” of the Corporation, as such terms are defined in Sections 424(e) and (f) of the Code.

11.3 ISO Grants to 10% Shareholders

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

11.4 \$100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation and any “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code) exceeds US\$100,000, such excess ISOs shall be treated as non-qualified stock options.

11.5 Disqualifying Dispositions

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

11.6 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code shall also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. Payment of any Award that is intended to be exempt from Section 409A of the Code as a short-term deferral shall in all events be paid by no later than March 15 of the year following the year of the applicable vesting event. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event

will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

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

11.7 Section 83(b) Election

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

11.8 Application of Article 11 to U.S. Taxpayers

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

ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Amendment, Suspension, or Termination of the Plan

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

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

12.2 Shareholder Approval

- (a) The Corporation shall seek annual Exchange and shareholder approval for this hybrid fixed and rolling Plan in conformity with TSXV Policy 4.4. In addition, where shareholder approval is

required on a “disinterested” basis, the initial and annual shareholder approval must be disinterested shareholder approval.

- (b) In addition to Section 12.2(a) and notwithstanding Section 12.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:
 - (i) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 10 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
 - (ii) amends an amending provision within the Plan;
 - (iii) reduces the exercise price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date for the purpose of reissuing an Option to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
 - (iv) extends the term of an Option beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 10 Business Days following the expiry of such a blackout period);
 - (v) amends an entitlement to an individual Award;
 - (vi) permits an Option to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
 - (vii) permits Awards to be transferred to a Person in circumstances other than those specified under Section 3.9;
 - (viii) changes the eligible participants of the Plan;
 - (ix) proposes to amend any material term of this Plan, such proposed amendment having first received the approval of a majority of the Board of the Corporation; or
 - (x) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2.
- (c) The Corporation is required to obtain shareholder approval on a “disinterested” basis in compliance with the applicable policies of the Exchange in the following circumstances:
 - (i) reduces the exercise price or purchase price of an Award benefiting an Insider;
 - (ii) extends the term of an Award benefiting an Insider;
 - (iii) increases or removes the ten percent (10%) limits on Shares issuable or issued to Insiders as set forth in Section 3.7; and
 - (iv) the issuance to any Participant, within a 12-month period, of a number of Shares exceeding five percent (5%) of the issued and outstanding Shares.

- (d) The Corporation shall be required to obtain Exchange acceptance of any amendment to this Plan.

12.3 Permitted Amendments

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

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 13 MISCELLANEOUS

13.1 Legal Requirement

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

13.2 No Other Benefit

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

13.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights

as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

13.4 Corporate Action

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

13.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

13.6 Anti-Hedging Policy

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

13.7 Participant Information

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

13.8 Participation in the Plan

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

13.9 International Participants

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

13.10 Successors and Assigns

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

13.11 General Restrictions or Assignment

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

13.12 Severability

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

13.13 Notices

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

Klimat X Developments Inc.
Suite 615, 800 West Pender Street
Vancouver, British Columbia
V6C 2V6

Attention: Chris Colborne, Interim Chief Executive Officer
Email: ccolborne@cutterresources.ca

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

13.14 Governing Law

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

13.15 Submission to Jurisdiction

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

SCHEDULE A
ELECTION NOTICE

OMNIBUS EQUITY INCENTIVE PLAN
(THE “PLAN”)

KLIMAT X DEVELOPMENTS INC.

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

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

If I am a U.S. Taxpayer, I hereby further elect for any DSUs subject to this Election Notice to be settled on the later of (i) my “separation from service” (within the meaning of Section 409A) or (ii) _____.

I confirm that:

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

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

Date:

(Name of Participant)

(Signature of Participant)

SCHEDULE B
ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS

OMNIBUS EQUITY INCENTIVE PLAN
(THE “PLAN”)

KLIMAT X DEVELOPMENTS INC.

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

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

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

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

Date:

(Name of Participant)

(Signature of Participant)

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

SCHEDULE C
ELECTION TO TERMINATED RECEIPT OF ADDITIONAL DSUS (U.S. TAXPAYERS)

OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")

KLIMAT X DEVELOPMENTS INC.

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

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

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

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

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

Date:

(Name of Participant)

(Signature of Participant)

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