

COAST COPPER CORP.

**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
WITH RESPECT TO
THE ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS
TO BE HELD ON JANUARY 26, 2023**

Dated December 18, 2022

COAST COPPER CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual general and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Coast Copper Corp. (the “**Company**”) will be held in Suite 904 of 409 Granville Street, Vancouver, British Columbia, on January 26, 2023 at 9:00 a.m. (Vancouver, British Columbia time), for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended December 31, 2021 and the report of the auditors thereon;
2. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
3. To fix the number of directors at four (4), and to elect the directors of the Company for the ensuing year;
4. to consider and if thought advisable, to pass, with or without amendment, an ordinary resolution to approve the Company’s 20% fixed Long-Term Incentive Plan; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Company’s shareholders, employees, communities and other stakeholders, Meeting participants are encouraged NOT to attend in person. Rather, participants are encouraged to vote on the matters BEFORE the Meeting by proxy and to join the Meeting by teleconference. Those who attend the Meeting by teleconference are requested to read the notes to the enclosed form of proxy and then to, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the information circular accompanying this Notice.

To access the Meeting by teleconference, dial toll free at 1-800-319-8560, Access Code: 200028.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying information circular.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is **December 12, 2022** (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are not attending the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be mailed so as to reach or be deposited with the Company’s registrar and transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

DATED this 18th day of December, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF
COAST COPPER CORP.**

“*Adam Travis*”

Adam Travis
Chief Executive Officer and Director

COAST COPPER CORP.

904 – 409 Granville Street
Vancouver, British Columbia V6C 1T2
Telephone: +1 (877) 578-9563

INFORMATION CIRCULAR

(containing information as at December 18, 2022)

**For the Annual General and Special Meeting
to be held on January 26, 2023**

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the Management of Coast Copper Corp. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of the shareholders (“Shareholders”) of the Company, to be held on Thursday, January 26, 2023 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Company’s shareholders, employees, communities and other stakeholders, Meeting participants are encouraged NOT to attend in person. Rather, participants are encouraged to vote on the matters BEFORE the Meeting by proxy and to join the Meeting by teleconference. Those who attend the Meeting by teleconference are requested to read the notes to the enclosed form of proxy and then to, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the information circular accompanying this Notice.

To access the Meeting by teleconference, dial toll free at 1-800-319-8560, Access Code: 200028.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are Directors and/or Officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM OR HER ON HIS OR HER BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY’S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE INVESTOR SERVICES INC., 8TH FLOOR, 100 UNIVERSITY AVENUE, TORONTO, ONTARIO M5J 2Y1, BY 9:00 A.M. (PACIFIC STANDARD TIME) ON TUESDAY JANUARY 24, 2022, OR IN THE EVENT OF AN ADJOURNMENT, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE ADJOURNED MEETING.**

The instrument of proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, the revocation instrument must either be under its common seal, or signed by a duly authorized officer and deposited at the Company’s Registrar and Transfer Agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution (a “**Special Resolution**”), in which case a majority of not less than 66 $\frac{2}{3}$ % of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. 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 CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners). Pursuant to National Instrument (“**NI**”) 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs.

This year, the Company has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our Transfer Agent, Computershare Investor Services Inc. (“**Computershare**”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

With respect to Beneficial Shareholders who are OBOs, regulatory rules require intermediaries/brokers to seek voting instructions in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders who are OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder who is an OBO by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

These security holder materials are being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

In accordance with the Provisions of NI 54-101, the Company has elected not to pay for mailing to OBO's. As a result, OBO's will only receive paper copies of proxy-related materials if the OBO's intermediary assumes the costs of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a Shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares having attached thereto the special rights and restrictions as set forth in the Articles of the Company. On December 12, 2022 (the "**Record Date**"), 64,001,690 common shares were issued and outstanding, each share carrying the right to one vote. No Preferred shares have been issued. The Company has no other classes of voting shares.

Any Shareholder of record at the close of business on December 12, 2022 who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder's shares voted at the Meeting.

To the knowledge of the Directors and Senior Officers of the Company, as of the Record Date, no person beneficially owns, or controls or directs, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company.

EXECUTIVE COMPENSATION

In accordance with the provisions of applicable securities legislation, the Company had two "Named Executive Officers" during the financial year ended December 31, 2021 ("**Last Financial Year**"), as follows:

Name	Principal Position
Adam Travis	CEO
Tim Thiessen	CFO

Definitions: For the purpose of this Information Circular:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the Last Financial Year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the Last Financial Year;

“**Closing Market Price**” means the price at which the company’s security was last sold, on the applicable date,

- (1) in the security’s principal marketplace in Canada, or
- (2) if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

“**Company or Corporation**” includes other types of business organizations such as partnerships, trust and other unincorporated business entities;

“**Equity Incentive Plan**” means an Incentive Plan, or portion of an Incentive Plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*.

“**External Management Company**” includes a subsidiary, affiliate or associate of the external management company.

“**Grant Date**” means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*.

“**Incentive Plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**Incentive Plan Award**” means compensation awarded, earned, paid, or payable under an Incentive Plan;

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (1) a CEO;
- (2) a CFO;
- (3) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the Last Financial Year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, Form 51-102F6, for that financial year; and
- (4) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

“**NI 52-107**” means National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“**Non-Equity Incentive Plan**” means an Incentive Plan or portion of an Incentive Plan that is not an Equity Incentive Plan;

“**Option-based Award**” means an award under an Equity Incentive Plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“**Share-based Award**” means an award under an Equity Incentive Plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

LONG-TERM INCENTIVE PLAN

The Company’s legacy long-term incentive plan (“**Legacy LTIP**”), which was approved by the Company’s shareholders on March 28, 2022, provides that stock options, deferred share units (“**DSUs**”), performance share units (“**PSUs**”), restricted share units (“**RSUs**”) and stock appreciation rights (“**SARs**”) (together with stock options “**Awards**”) are to be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Legacy LTIP is a “rolling” plan whereby the number of common shares issuable under the plan, together with all of the Company’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares. The new long-term incentive plan (the “**LTIP**”) will be replacing the Legacy LTIP assuming shareholder approval is granted at this meeting and all existing awards under the Legacy LTIP will be subsumed as awards under the LTIP. Please refer to “**Schedule C**” for the full text of the LTIP.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporate Governance & Compensation (“**CG&C**”) Committee of the Company’s Board of Directors is responsible for adopting appropriate procedures with respect to the compensation of the Company’s executive officers. The CG&C Committee aims to ensure that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company’s compensation philosophy.

The CG&C Committee is also responsible for recommending compensation for the directors and granting Awards to the directors, officers and employees of, and consultants to, the Company pursuant to the Legacy LTIP and the LTIP.

The philosophy of the Company in determining compensation is that the compensation should (i) reflect the Company’s current state of development, (ii) reflect the Company’s performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the Shareholders, (v) assist the Company in retaining key individuals, (vi) be competitive with the Company’s peer group and (vii) reflect the Company’s overall financial status.

Compensation Components

The compensation of the NEOs comprises primarily of (i) base salary or consulting fees; (ii) long-term incentive in the form of Awards granted in accordance with the Legacy LTIP; and (iii) the CG&C Committee may also set, throughout the year, discretionary bonuses as well as bonuses contemplated under each NEOs employment or consulting contract.

In establishing levels of compensation, the CG&C Committee relies on the experience of its members as officers and directors of other reporting issuers in assessing compensation levels, taking into account the stage of development of the Company, the size of the Company’s assets, available capital, revenues, as well as the particular officer’s level of responsibility, duties, amount of time dedicated to the affairs of the Company and contribution to the Company’s long-term success. The current and proposed directors of the Company are currently directors or officers of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Adam Travis	None
Fletcher Morgan	TDG Gold Corp.
Dale Wallster	Southern Empire Resources Corp. ValOre Metals Corp.
Dan Berkshire	None

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to other reporting issuers;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards.

To date, no specific formulas have been developed to assign a specific weighting to each of these components. Instead, the independent directors consider the Company's compensation components and determine compensation based on this assessment.

The CG&C Committee has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the CG&C Committee when implementing its compensation policies and the CG&C Committee does not believe that the Company's compensation policies result in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

Base Salary

The CG&C Committee approves the salary ranges for the NEOs. The review for each NEO is based on assessment of factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The CG&C Committee, using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs annual informal assessments of the compensation of all executive and employee compensation levels (see disclosure below under "*Summary Compensation Table – Narrative Discussion*").

Use of Financial Instruments

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Security Based Awards

Awards under the Legacy LTIP or the LTIP, as the case may be, are used to attract, retain and incentivize qualified and experienced personnel. This is an important part of the Company's long-term incentive strategy for its NEOs, as well as for its other directors, officers, other management, employees and consultants (collectively, "**eligible persons**"), aligning their interests with those of Shareholders and permitting them to participate in any appreciation of the market value of the Company's common shares over a stated period of time. The Legacy LTIP or the LTIP, as the case may be, is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Company's long-term growth, performance and success as well as increasing Shareholder value.

The Board, or CG&C Committee thereof, reviews the grant of Awards to eligible persons from time to time, based on various factors such as their level of responsibility and their role and importance in the Company achieving its corporate goals, objectives and prospects, and increasing Shareholder value. Previous grants of Awards are taken into account when considering new grants of Awards.

Summary Compensation Table

The following table sets out certain information respecting the compensation paid to the NEOs for the financial years ended December 31, 2021, 2020 and 2019 in which they were acting in the capacity of a NEO.

Name and principal position (a)	Year (b)	Salary (\$) (c)	Share-based awards (\$) (d)	Option-based awards (\$) (e)	Non-equity incentive plan compensation (\$)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Adam Travis CEO ⁽¹⁾	2021	Nil	N/A	31,732 ⁽⁸⁾	N/A	N/A	N/A	203,066 ⁽²⁾	234,798
	2020	Nil	N/A	49,944 ⁽⁸⁾	N/A	N/A	N/A	116,158 ⁽²⁾	166,102
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scott Gibson former CEO ⁽³⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	N/A	31,215 ⁽⁸⁾	N/A	N/A	N/A	31,200 ⁽⁷⁾	62,415
	2019	155,000	N/A	Nil	N/A	N/A	N/A	34,900 ⁽⁷⁾	189,900
Tim Thiessen CFO ⁽⁴⁾	2021	Nil	N/A	19,039 ⁽⁸⁾	N/A	N/A	N/A	78,000 ⁽⁵⁾	97,039
	2020	Nil	N/A	31,215 ⁽⁸⁾	N/A	N/A	N/A	50,000 ⁽⁵⁾	81,215
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jasmine Lau former CFO ⁽⁶⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	N/A	N/A	N/A	N/A	N/A	10,000 ⁽⁶⁾	10,000
	2019	Nil	N/A	Nil	N/A	N/A	N/A	30,000 ⁽⁶⁾	30,000

(1) On April 13, 2020, Mr. Adam Travis was appointed CEO of the Company.

(2) This amount consisted of CEO fees of \$75,833 (2020: \$79,250), geological consulting fees of \$106,842 (2020: \$32,200) and equipment rental charges of \$20,391 (2020: \$4,708) earned by Mr. Travis through Cazador Resources Ltd., a company controlled by Mr. Travis.

(3) On April 13, 2020 Mr. Scott Gibson resigned as CEO of the Company and remained on the Board of Directors until his resignation on April 26, 2021.

(4) On May 1, 2020, Mr. Tim Thiessen was appointed CFO of the Company.

(5) This amount consisted exclusively of CFO fees earned by Mr. Thiessen through TSquared Accounting Inc., a company controlled by Mr. Thiessen.

(6) Ms. Jasmine Lau is an employee of Red Fern Consulting, which provided CFO, Corporate Secretary and accounting services to the Company for a fee of \$2,500 per month. Ms. Lau did not receive any direct compensation from the Company in connection with her services as CFO or Corporate Secretary. On May 1, 2020, Ms. Lau resigned as CFO and Corporate Secretary of the Company.

(7) Fees were earned by Beneath the Surface Capital Corp., a company controlled by Scott Gibson, for administration, corporate compliance and office rent.

(8) These amounts consisted of the fair value on the grant date of stock options granted using the Black-Scholes Option Pricing model. The fair value per option was determined using the following weighted average assumptions: an expected life of 5 years, volatility of between 86.33%, and 92.94%, a risk-free interest rate of between 0.33% and 1.33% and a dividend yield of zero.

Narrative Discussion

The Company's general compensation strategy for NEOs is discussed above under "Compensation Discussion and Analysis". During the Last Financial Year, the significant terms of each NEOs employment or consulting agreement were as follows:

Adam Travis (CEO) – Pursuant to a consulting agreement dated January 1, 2022 between the Company and Cazador Resources Ltd., a private company controlled by Mr. Travis, Mr. Travis, CEO of the Company, receives a monthly fee of \$13,000 based on an estimate of 75% time. Mr. Travis is also eligible for a discretionary bonus, at the discretion of the Board of Directors. For information on termination and change of control benefits, refer to the heading "Termination and Change of Control Benefits" below.

Tim Thiessen (CFO) - Pursuant to an employment agreement dated January 1, 2022, Mr. Thiessen, CFO of the Company, receives an annual salary of \$90,000 based on a 50% work schedule. Mr. Thiessen is also eligible for a discretionary bonus, at the discretion of the Board of Directors. For information on termination and change of control benefits, refer to the heading "Termination and Change of Control Benefits" below.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at December 31, 2021:

Name	Option-based Awards				Share-based Awards ⁽²⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Adam Travis CEO	400,000	0.18	June 1, 2025	Nil	N/A	N/A	N/A
	500,000	0.10	October 28, 2026	15,000	N/A	N/A	N/A
Tim Thiessen CFO	250,000	0.18	June 1, 2025	Nil	N/A	N/A	N/A
	300,000	0.10	October 28, 2026	12,000	N/A	N/A	N/A

(1) The calculation to determine whether a stock option is in-the-money is to subtract the exercise price from the Company's closing market price on a given date, and if positive, multiply the difference by the number of stock options. The closing price of the Company's shares on the TSX-V on December 31, 2021 was \$0.13.

(2) The Company did not have any share-based awards outstanding at December 31, 2021.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2021 in respect of incentive awards to the Named Executive Officer:

Name	Option-based awards– Value vested during the year (\$) ⁽¹⁾	Share-based awards–Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation–Value earned during the year (\$)
Adam Travis CEO	N/A	N/A	Nil
Tim Thiessen CFO	N/A	N/A	Nil

(1) The calculation of the value vested during the year is to subtract the exercise price from the Company's closing market price on the vesting date, and if positive, multiply the difference by the number of awards. During the year ended December 31, 2021, no stock options that were granted to Messrs. Travis and Thiessen vested, and consequently this item is not applicable.

(2) The Company does not provide share-based awards to executive officers or employees.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

Name	Year	Fees earned	Share-based awards	Option-based awards ⁽⁶⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total
(a)	(b)	(\$) (c)	(\$) (d)	(\$) (e)	(\$) (f)	(\$) (g)	(\$) (h)	(\$) (i)
Alex Heath ⁽¹⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	N/A	Nil	N/A	N/A	Nil	Nil
	2019	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Wayne Hewgill ⁽¹⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	N/A	Nil	N/A	N/A	Nil	Nil
	2019	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Jay Sujir ⁽²⁾	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2020	Nil	N/A	24,972	N/A	N/A	Nil	24,972
	2019	Nil	N/A	Nil	N/A	N/A	Nil	Nil

(1) Messrs. Heath and Hewgill both resigned from the Board of Directors on April 13, 2020.

(2) Mr. Sujir resigned from the Board of Directors on January 13, 2021.

(3) Mr. Berkshire was appointed to the Board of Directors on December 11, 2020.

(4) This amount consisted of Chair of the Board fees earned by Dr. Morgan through Elemental Capital Partners LLP, a company controlled by Dr. Morgan.

(5) This amount consisted of geological consulting fees earned by Mr. Berkshire.

(6) These amounts consisted of the fair value on the grant date of stock options granted using the Black-Scholes Option Pricing model. The fair value per option was determined using the following weighted average assumptions: an expected life of 5 years, volatility of between 86.33%, and 92.94%, a risk-free interest rate of between 0.33% and 1.33% and a dividend yield of zero.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting share-based and option-based awards outstanding at December 31, 2021 for the directors of the Company who were not NEOs.

Name	Option-based Awards				Share-based Awards ⁽⁴⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Dale Wallster	200,000	0.18	June 1, 2025	Nil	N/A	N/A	N/A
	275,000	0.10	October 28, 2026	8,250	N/A	N/A	N/A
Fletcher Morgan	250,000	0.18	June 1, 2025	Nil	N/A	N/A	N/A
	400,000	0.10	October 28, 2026	12,000	N/A	N/A	N/A
Dan Berkshire ⁽²⁾	200,000	0.18	January 11, 2026	N/A	N/A	N/A	N/A
	275,000	0.10	October 28, 2026	8,250	N/A	N/A	N/A

(1) The calculation to determine whether a stock option is in-the-money is to subtract the exercise price from the Company's closing market price on a given date, and if positive, multiply the difference by the number of stock options. The closing price of the Company's shares on the TSX-V on December 31, 2021 was \$0.13.

(2) Mr. Berkshire was appointed to the Board of Directors on December 11, 2020.

(3) The Company does not provide share-based awards to directors of the Company.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value vested or earned during the Last Financial Year in respect of incentive awards to the Directors:

Name	Option-based awards– Value vested during the year (\$)⁽¹⁾	Share-based awards– Value vested during the year (\$)⁽²⁾	Non-equity incentive plan compensation–Value earned during the year (\$)⁽²⁾
Dale Wallster	N/A	N/A	N/A
Fletcher Morgan	N/A	N/A	N/A
Dan Berkshire	Nil	N/A	N/A
Jay Sujir	N/A	N/A	N/A

- (1) *The calculation of the value vested during the year is to subtract the exercise price from the Company’s closing market price on the vesting date, and if positive, multiply the difference by the number of awards. On January 11, 2021, the date Mr. Berkshire’s stock options vested, the Company’s market price was \$0.17 and the exercise price was \$0.18. Therefore, the value vested during the year was \$Nil. During the year ended December 31, 2021, no stock options that were granted to Messrs. Wallster and Morgan vested, and consequently this item is not applicable. No stock options were granted to Mr. Sujir during the year ended December 31, 2021.*
- (2) *The Company does not provide share-based awards or non-equity incentive plan compensation to directors of the Company.*

Narrative Discussion

The grant of stock options to directors pursuant to the Company’s Legacy LTIP is discussed above under the heading “*Compensation Discussion and Analysis*”.

During the Last Financial Year, the Company granted 1,150,000 stock options to directors who are not NEOs. As at December 31, 2021, directors who are not NEOs held 1,600,000 of the 4,090,000 outstanding stock options.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2021:

Equity Compensation Plan Information as of December 31, 2021

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders ⁽¹⁾	4,090,000	\$0.13	1,439,669 ⁽²⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	4,090,000	\$0.13	1,439,669

(1) *Represents the Company’s Legacy LTIP.*

(2) *Based on 55,296,690 common shares issued and outstanding on December 31, 2021.*

For further information on the Company’s equity compensation plans, refer to the heading “*Approval of Fixed Long-Term Incentive Plan*”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Information Circular or “routine indebtedness” as defined in Form 51-102F5 of National Instrument 51-102 none of:

- (a) the individuals who are, or at any time since the beginning of the Last Financial Year of the Company were, a director or executive officer of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the Last Financial Year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the Last Financial Year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein:

- (1) no person who has been a director or executive officer of the Company at any time since the beginning of the Last Financial Year of the Company;
- (2) no proposed nominee for election as a Director of the Company; or
- (3) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of Directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “**Informed Person**” means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company’s financial statements for the financial year ended December 31, 2021, none of:

- (1) the Informed Persons of the Company;
- (2) the proposed nominees for election as a Director of the Company; or
- (3) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Last Financial Year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2021, together with the Auditor’s Report of the Company (the “**Financial Statements**”), will be presented to Shareholders at the Meeting. The Financial Statements, the Auditor’s Report thereon together with Management Discussion and Analysis (“**MD&A**”) for the financial year ended December 31, 2021 are available on SEDAR at www.sedar.com. The Notice of Annual General and Special Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102) and form of proxy will be available from the Company’s Registrar and Transfer Agent, Computershare Investor

Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, or from the Company's head office located at 904 – 409 Granville Street, Vancouver, BC V6C 2T6.

REQUEST FOR FINANCIAL STATEMENTS

NI 51-102 “Continuous Disclosure Obligations” sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the financial statements.

MATTERS TO BE ACTED UPON

A. APPOINTMENT AND REMUNERATION OF AUDITORS

Davidson & Company LLP, Chartered Professional Accountants (“Davidson”) are the auditors for the Company. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the common shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of Davidson as auditor of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board of Directors to fix the remuneration of the auditors.**

B. FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at four (4). **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the common shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR fixing the number of Directors at four (4) and the election of each of the proposed nominees set forth below as directors of the Company.** Although Management is nominating four (4) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

Each Director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company. In the absence of instructions to the contrary, the shares represented by proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which each person is ordinarily a resident, the positions and offices which each presently holds with the Company, the period of time for which each person has been a Director of the Company, their respective principal occupation (or employment during the past five years if such nominee is not presently an elected Director) and the number of common shares of the Company which each beneficially owns, or controls or directs, directly or indirectly, as of the date of this Information Circular. All of the nominees are currently Directors of the Company.

Name, Province and Country of Ordinary Residence⁽¹⁾	Positions Held with the Company	Principal Occupation (or Employment During the Past Five Years)⁽¹⁾	Date First Became a Director	No. of common shares Beneficially Owned, Directly or Indirectly⁽²⁾
Adam Travis ⁽⁶⁾⁽⁷⁾ British Columbia, Canada	Chief Executive Officer & Director	CEO of the Company since April 13, 2020, CEO of Colorado Resources Ltd. (2008 – 2018)	April 13, 2020	5,996,500 ⁽³⁾

Name, Province and Country of Ordinary Residence ⁽¹⁾	Positions Held with the Company	Principal Occupation (or Employment During the Past Five Years) ⁽¹⁾	Date First Became a Director	No. of common shares Beneficially Owned, Directly or Indirectly ⁽²⁾
Dale Wallster ⁽⁶⁾⁽⁷⁾ British Columbia, Canada	Director	Prospector, Geologist and Businessman	July 16, 2014	680,000 ⁽⁴⁾
Fletcher Morgan ⁽⁶⁾⁽⁷⁾ British Columbia, Canada	Chair of the Board	CEO of TDG Gold Corp., Management consultant and registered broker, Partner of Elemental Capital Partners LLP.	April 13, 2020	4,100,000 ⁽⁵⁾
Dan Berkshire British Columbia, Canada	Director	Consultant to the mineral exploration industry	December 11, 2020	620,000

- (1) The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective Directors individually.
- (2) The number of shares beneficially owned, directly or indirectly was obtained from publicly available information filed on www.sedi.ca or directly from the Director.
- (3) All 5,996,500 common shares are held by Cazador Resources Ltd., a private company controlled by Mr. Travis.
- (4) Includes 400,000 common shares held by Mulgravian Ventures Corporation, a private company controlled by Mr. Wallster.
- (5) Includes 3,500,000 common shares held by Elemental Capital Partners LLP., a company controlled by Dr. Morgan.
- (6) Member of the Audit Committee, of which Mr. Wallster is the Chair.
- (7) Member of the Corporate Governance & Compensation Committee, of which Dr. Morgan is the Chair.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as listed below, no proposed director (including any personal holding company of a proposed director), is:

- (1) as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while such person 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 such person 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 a director, chief executive officer or chief financial officer;
- (2) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (3) has, within the 10 years before 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 the proposed director; or

- (4) has been subject to:
- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000, the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The Company does not currently have an Executive Committee of its Board of Directors.

ADVANCE NOTICE PROVISIONS

At the October 31, 2014 annual general and special meeting, the Company's shareholders voted to adopt amendments to the Company's Articles to include advance notice provisions (the "**Advance Notice Provisions**"). The Advance Notice Provisions include, among other things, a provision that requires advance notice be given to the Company in circumstances where nomination of persons for election to the Board are made by Shareholders of the Company. The Advance Notice Provisions set a deadline by which shareholders must submit nominations (a "**Notice**") for the election of directors to the Company prior to any annual or special meeting of shareholders. The Advance Notice Provisions also set forth the information that a shareholder must include in the Notice to the Company, and establish the form in which the shareholder must submit the Notice for that notice to be in proper written form.

In the case of an annual meeting of shareholders, a Notice must be provided to the Company not less than 30 days and not more than 65 days prior to the date of the annual meeting. However, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, a Notice must be provided to the Company not later than the close of business on the 10th day following such public announcement.

As of the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice Provisions.

C. APPROVAL OF FIXED LONG-TERM INCENTIVE PLAN

The Company is proposing to replace the Legacy Plan with a new long-term incentive plan (the "LTIP"), which is a fixed 20% plan that includes the same categories of Awards as the Legacy Plan, being stock options, DSUs, PSUs, RSUs and SARs. The new LTIP will increase the grant room available to the Company. This in turn will enhance the Company's ability to align the interests of those directors, employees and consultants designated by the Board as being eligible to participate in the LTIP with those of the Company and its shareholders, and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the LTIP is designed to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company.

The full text of the LTIP is attached hereto as "Schedule C". A copy of the LTIP will be available at the Meeting and is available upon request from the Company's Corporate Secretary at 904 – 409 Granville Street, Vancouver, BC, V6C 1T2.

The LTIP is available to directors, key employees and consultants of the Company, as determined by the Board. The aggregate number of Common Shares the Company proposes to be issuable under the LTIP is 12,800,338, or 20% of the current issued and outstanding Common Shares.

Please refer to "**Schedule C**" for the full text of the LTIP.

At the Meeting, Shareholders will be asked to vote on the following resolution, with or without variation:

1. the LTIP, be, and is hereby, ratified, affirmed and approved; and
2. the form of the LTIP may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the Shareholders.

In order to be passed, a majority of the votes cast at the Meeting or in person or by proxy must be voted in favour of the resolution.

The Board of Directors recommends that Shareholders vote FOR the LTIP. Unless the Shareholder has specifically instructed in the form of proxy or VIF that the common shares represented by such proxy or VIF are to be voted against the LTIP resolution, the persons named in the proxy or VIF will vote FOR the LTIP resolution.

D. OTHER MATTERS

The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the common shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

AUDIT COMMITTEE DISCLOSURE

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

CORPORATE GOVERNANCE

The information required to be disclosed by NI 58-101 *Disclosure of Corporate Governance Practices* is attached to this Information Circular as Schedule "B".

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Copies of the Company's financial statements and MD&A may be obtained without charge upon request from the Company's head office at 904 - 409 Granville Street, Vancouver, BC V6C 1T2, phone (877) 578-9563 or from the Company's website at www.coastcoppercorp.com. Financial information on the Company is provided in its audited financial statements and MD&A for the year ended December 31, 2021.

APPROVAL OF THE DIRECTORS

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

DATED at Vancouver, British Columbia, this 18th day of December, 2022.

COAST COPPER CORP.

"Adam Travis"

Adam Travis
Chief Executive Officer
and a Director of the Company

**SCHEDULE “A”
COAST COPPER CORP.
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE**

ITEM 1 – THE AUDIT COMMITTEE’S CHARTER

Purpose

The overall purpose of the Audit Committee (the “**Committee**”) is to ensure that the Corporation’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the Company’s financial reporting requirements and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

Composition, Procedures and Organization

- (1) The Committee shall consist of at least three members of the Board of Directors (the “**Board**”), of which a majority must be independent. The members shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange, including Multilateral Statement 52-110, and other regulatory agencies as required.
- (2) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (3) The Board will appoint one member to act as the Chair of the Committee. In his or her absence, the Committee may appoint another person provided a quorum is present. The Chair will appoint a Secretary of the meeting, who need not be a member of the Committee and who will maintain minutes of the meeting.
- (4) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (5) Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chair of the Committee.
 - (b) at the request of the external auditor, the Chief Executive Officer, the Chief Financial Officer or any member of the Committee, the Chair will convene a meeting of the Committee. In advance of every meeting of the Committee, the CFO will endeavour to distribute the agenda and meeting materials in a timely manner.
 - (c) management representatives may be invited to attend a meeting except in-camera sessions of the independent members of the Committee or with the external auditors.
 - (d) the internal auditors and the external auditors shall have a direct line of communication to the Committee through its Chair and may bypass management if deemed necessary. The Committee, through its Chair, may contact directly any Director, Officer, employee or consultant of the Corporation as it deems necessary, and any Director, Officer, employee or consultant of the Corporation may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

- (6) The overall duties and responsibilities of the Committee shall be as follows:

- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (7) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (8) The duties and responsibilities of the Committee as they relate to the internal controls of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) assess the requirement for the appointment of an internal auditor for the Company;

- (c) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (e) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (9) The Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual general meeting materials and other reports to shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses and other regulatory filings;
 - (v) news releases discussing financial results of the Corporation; and
 - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Corporation's financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Corporation's financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the financial statements;
 - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (10) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Dale Wallster (Chair), Fletcher Morgan and Adam Travis. All of the members are financially literate and Messrs. Wallster and Morgan are independent. “Independent” and “financially literate” have the meaning used in National Instrument (“NI”) 52-110 of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The relevant education and/or experience of each member of the Audit Committee is as follows:

Dale Wallster

Mr. Wallster is a prospector, geologist businessman with over 40 years of experience in mineral deposit exploration and development, who has served on the Company’s Board of Directors since 2014. Mr. Wallster is currently CEO, President and a Director of Southern Empire Resources Corp. and has been a director of ValOre Metals Corp. since 2012. He was President and Founder of Roughrider Uranium Corp. which was acquired by Hathor Exploration Limited in 2006. Mr. Wallster holds an Honours Bachelor of Science Degree (Geology) from Western University.

Fletcher Morgan

Dr. Morgan is a qualified management consultant and registered broker. He has over 10 years’ experience in junior companies as a director, EVP and advisor. Dr. Morgan is currently CEO and a director of TDG Gold Corp. and a partner of Elemental Capital Partners LLP.

Adam Travis

Mr. Travis holds a B.Sc. (Major in Geology) earned at UBC in 1990 and has been involved in the mineral exploration sector for over 30 years. He was a team member on a number of exploration projects such as Snip, Eskay Creek and Brewery Creek which later became mines, as well as numerous other advanced projects and small mines in Africa, Mexico and Alaska. In 2004 Mr. Travis joined the Hunter Dickinson Group of companies initially in target and evaluation and acquisitions with Amarc Resources where he honed his large project management skills. Most recently, Mr. Travis served as President and CEO of QuestEx Gold & Copper Ltd. (formerly Colorado Resources Ltd.) from 2010 to 2018. Mr. Travis also owns a private company, Cazador Resources Ltd., which focuses primarily on the acquisition of exploration projects in British Columbia and subsequent optioning to junior exploration companies.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company’s Last Financial Year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the commencement of the Company's Last Financial Year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4), 6.1.1(5) and 6.1.1(6) provide exemptions from audit committee composition requirements applicable to venture issuers in certain circumstances. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company’s Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Company by the external auditor for the fiscal years ended December 31, 2021 and December 31, 2020 is as follows:

	<u>FYE 2021</u>	<u>FYE 2020</u>
Audit Fees	\$30,366	\$27,836
Audit Related Fees	\$nil	\$nil
Tax Fees	\$nil	\$nil
All other fees (non-tax) Assistance with Quarterly Report Preparation:	\$nil	\$nil
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Total Fees:	\$30,366	\$27,836
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ITEM 8: EXEMPTION

In respect of the Last Financial Year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

SCHEDULE "B"

COAST COPPER CORP.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Mr. Adam Travis is the Chief Executive Officer (appointed April 13, 2020) and a director of the Company and is therefore not independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees* ("NI 52-110").

Mr. Dale Wallster, a current director of the Company, is an independent director within the meaning of section 1.4 of NI 52-110.

Dr. Fletcher Morgan, a current director of the Company, is an independent director within the meaning of section 1.4 of NI 52-110.

Mr. Dan Berkshire, a current director of the Company, is an independent director within the meaning of section 1.4 of NI 52-110.

ITEM 2. DIRECTORSHIPS

The current and proposed directors of the Company are currently directors or officers of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Adam Travis	None
Dale Wallster	ValOre Metals Corp. Southern Empire Resources Corp.
Fletcher Morgan	TDG Gold Corp. Anacott Resources Corp.
Dan Berkshire	None

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Company briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

ITEM 4. ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

ITEM 6. COMPENSATION

The Board of Directors and its CG&C Committee endeavor to conduct reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

ITEM 7. OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has a CG&C Committee. As of the date of this Information Circular, the CG&C Committee is composed of Fletcher Morgan (Chair), Dale Wallster and Adam Travis. Messrs. Morgan and Wallster are independent directors. The CG&C Committee is responsible for considering, establishing and reviewing executive compensation programs.

ITEM 8. ASSESSMENTS

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees. On an informal basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

SCHEDULE "C"

COAST COPPER CORP.

LONG-TERM INCENTIVE PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE OF THIS PLAN

Coast Copper Corp. (the "**Company**") wishes to establish this long-term incentive plan ("**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Directors, Key Employees and Consultants of the Company and its Subsidiaries; (b) encouraging such Directors, Key Employees and Consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Directors, Key Employees and Consultants with the interests of the Company.

To this end, this Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units, Options and Stock Appreciation Rights to Directors, Key Employees and Consultants of the Company as further described in this Plan.

The Plan and the RSUs, PSUs, DSUs, Options and SARs issuable under the Plan are subject to Policy 4.4 of the TSX Venture Exchange.

This Plan is a "fixed" plan, with the number of common shares available for issuance under the Plan not exceeding 12,800,338.

SECTION 2. DEFINITIONS

As used in this Plan, the following terms shall have the meanings set forth below:

- (a) "**Affiliate**" has the meaning ascribed thereto in the Securities Act;
- (b) "**Associate**" has the meaning ascribed thereto in the Securities Act;
- (c) "**Award**" means any award of Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs granted under this Plan;
- (d) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (e) "**Board**" means the board of directors of the Company;
- (f) "**Change of Control**" has the meaning ascribed to such term under the policies of the Exchange;
- (g) "**Committee**" means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (h) "**Company**" means Coast Copper Corp., a company incorporated under the British Columbia *Business Corporations Act*, and any of its successors or assigns;

- (i) "**Consultant**" has the meaning ascribed to such term under the policies of the Exchange;
- (j) "**Current Market Price**" means the closing price of the Shares on the last Trading Day on which trading in the Shares took place immediately prior to the relevant exercise date;
- (k) "**Deferred Share Unit**" or "**DSU**" means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5(c) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (l) "**Determination Date**" means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (m) "**Director**" means a member of the Board;
- (n) "**Disability**" means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (o) "**Discounted Market Price**" means the Current Market Price less the discount allowable pursuant to the policies of the Exchange;
- (p) "**Disinterested Shareholder Approval**" shall have the meaning ascribed thereto in the rules and policies of the Exchange, but generally means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted meeting of shareholders, excluding votes attached to Shares beneficially owned by Insiders to whom Awards may be granted under this Plan, the Persons who hold or will hold the Award in question and Associates and Affiliates of such Insiders and Persons;
- (q) "**Effective Date**" has the meaning ascribed thereto in Section 8;
- (r) "**Election Form**" means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;
- (s) "**Eligible Person**" means Directors and Key Employees and Consultants;
- (t) "**Exchange**" means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (u) "**Exchange Hold Period**" means the four-month resale restriction imposed by the Exchange on the Shares, more particularly described in Exchange Policy 1.1;
- (v) "**Fees**" means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (w) "**Grant Date**" means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (x) "**Insider**" means any insider, as that term is defined in the Securities Act;
- (y) "**Insider Participant**" means a Participant who is an (i) Insider of the Company or of a Subsidiary, and (ii) Associate of any person who is an Insider by virtue of (i);
- (z) "**Investor Relations Activities**" means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - A. to promote the sale of products or services of the Company, or
 - B. to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - A. applicable securities laws;
 - B. Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication; and
 - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange;
- (aa) **"Investor Relations Service Provider"** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (bb) **"Key Employees"** means employees, including officers, whether Directors or not, and including both full-time and part-time employees of the Company or any Subsidiary who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company;
- (cc) **"Management Company Employee"** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company.
- (dd) **"Market Unit Price"** means the value of a Share determined by reference to the five-day volume weighted average closing price of a Share for the five (5) Trading Days immediately preceding the day on which trading in the Shares took place, or immediately preceding the exercise date of a Stock Option or SAR;
- (ee) **"Option"** means incentive share purchase options entitling the holder thereof to purchase Shares;
- (ff) **"Participant"** means any Eligible Person to whom Awards under this Plan are granted;
- (gg) **"Participant's Account"** means a notional account maintained for each Participant's participation in this Plan which will show any Restricted Share Units, Performance Share Units, Deferred Share Units, Options or SARs credited to a Participant from time to time;
- (hh) **"Performance-Based Award"** means, collectively, Performance Share Units and Restricted Share Units;

- (ii) "**Performance Criteria**" means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the Performance Share Units;
- (jj) "**Performance Cycle**" means the applicable performance cycle of the Performance Share Units as may be specified by the Board in the applicable Award Agreement;
- (kk) "**Performance Share Unit**" or "**PSU**" means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(b) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (ll) "**Person**" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (mm) "**Restriction Period**" means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units, Performance Share Units or Deferred Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months, unless provided for in Policy 4.4 of the Exchange;
- (nn) "**Restricted Share Unit**" or "**RSU**" means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(a) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (oo) "**Retirement**" means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
- (pp) "**SA Rights**" has the meaning set out in Section 5(e)(i);
- (qq) "**SAR**" means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(e) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (rr) "**SAR Amount**" has the meaning set out in Section 5(e)(iii);
- (ss) "**SAR Grant Price**" has the meaning set out in Section 5(e)(ii);
- (tt) "**Securities Act**" means the *Securities Act*, RSBC 1996, c 418, as amended, from time to time;
- (uu) "**Security-Based Compensation Arrangement**" shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant;
- (vv) "**Shares**" means the common shares of the Company;
- (ww) "**Subsidiary**" means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;
- (xx) "**Termination Date**" means, as applicable: (i) in the event of a Participant's Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and (ii) in the event of termination of the

Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;

- (yy) **"Trading Day"** means any date on which the Exchange is open for trading; and
- (zz) **"Vesting Date"** means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

SECTION 3. ADMINISTRATION

- (a) **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- (b) **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- (c) **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.
- (d) **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

SECTION 4. SHARES AVAILABLE FOR AWARDS

(a) LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.

- (i) The aggregate number of Shares issuable under this Plan in respect of Awards shall not exceed 12,800,338.
- (ii) So long as it may be required by the rules and policies of the Exchange:
 - A. the total number of Shares issuable under this Plan in respect of all Awards granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares at any point in time;
 - B. the total number of Shares issuable under this Plan in respect of all Awards, in any 12-month period to Insiders (as a group) shall not exceed 10% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to any Insider, unless the Company has obtained the requisite disinterested Shareholder approval;

- C. the total number of Shares issuable under this Plan in respect of all Awards, in any 12-month period to any one Participant shall not exceed five (5%) percent of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Participant, unless the Company has obtained the requisite disinterested Shareholder approval;
 - D. the total number of Shares issuable to any Consultant under this Plan in respect of all Awards, in any 12-month period shall not exceed two (2%) percent of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Consultant; and
 - E. the total number of Options issuable to Participants performing Investor Relations Activities shall not exceed two (2%) percent of the issued and outstanding Shares in any 12-month period.
- (iii) Persons performing Investor Relations Activities may only receive Options as Awards under this Plan;
 - (iv) The total number of Shares issuable to non-executive Directors under this Plan (excluding, for this purpose, the Chairman of the Board, if any) shall not exceed three (3%) percent of the issued and outstanding Shares;
 - (v) Any Award granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Plan.
 - (vi) Pursuant to the policies of the Exchange, the Exchange Hold Period will be applied to Shares issuable under this Plan and any certificate(s) representing those Shares will include a legend stipulating that the Shares issued are subject to a four-month Exchange Hold Period commencing from the Grant Date.
- (b) ACCOUNTING FOR AWARDS.** For purposes of this Section 4:
- (i) If an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
 - (ii) Notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.
- (c) ANTI-DILUTION.** If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of RSUs, PSUs, DSUs, Options and/or SARs credited to a Participant. Any adjustment, other than in connection with a security consolidation or security split, to an Award granted or issued under a Security Based Compensation Arrangement must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.

- (d) **FORMER PLANS.** From and after the Effective Date, the all prior long-term incentive plans of the Company shall be cancelled and deemed to be cancelled, and all awards granted thereunder shall be governed and deemed to be governed by the provisions of this Plan as existing Awards governed by the terms of this Plan.
- (e) **ELIGIBILITY AND PARTICIPATION.** For all Awards granted or issued to Directors, Key Employees and Consultants, both the Company and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* Director, Key Employee or Consultant, as the case may be, at the time of such grant.

SECTION 5. AWARDS

(a) RESTRICTED SHARE UNITS

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs to Directors, Key Employees and Consultants. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. In no event shall the value of the RSU be lower than the Discounted Market Price. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of RSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.
- (ii) **RESTRICTIONS.** RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (iii) **VESTING.** All RSUs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No RSU may vest before the date that is one year following the date it is granted or issued, unless a Participant dies or ceases to be an eligible Participant under this Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.
- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5(a)(x) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Section 5(a)(x) hereof, provided that the Participant's estate makes a claim for such vested Award within 12 months of the date of death.

(vi) **TERMINATION OF EMPLOYMENT.**

- A. Where, in the case of a Key Employee, a Participant's employment is terminated by the Company or a Subsidiary for cause, all RSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- B. Where, in the case of a Key Employee, a Participant's employment terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.
- C. Upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of RSUs under this Plan shall cease as of the Termination Date.

(vii) **DISABILITY.** Where, in the case of a Key Employee, a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Key Employee's employment is terminated due to Disability, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

(viii) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date the Participant ceases to be a Director, provided, however, that any RSUs granted to such Participant which, prior to the Participant ceasing to be a Director for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

(ix) **TERMINATION OF SERVICE.** Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, any RSUs granted to the Participant under this Plan that have not yet vested will be forfeited and cancelled and shall be of no further force or effect as of the date of termination of service, provided, however, that any RSUs granted to such Participant which, prior to the termination of the Participant's service to the Company for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

(x) **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of RSUs, the Company shall issue from treasury to the Participant, or if Section 5(a)(v) applies, to the

Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such RSUs.

(b) PERFORMANCE SHARE UNITS

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of PSUs to Key Employees and Consultants. PSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. In no event shall the value of the PSU be lower than the Discounted Market Price. The number of PSUs to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each PSU shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of PSUs granted pursuant to an Award, the Performance Criteria which must be satisfied in order for the Performance Share Units to vest and the Performance Cycle in respect of such Performance Share Units shall be specified in the applicable Award Agreement.
- (ii) **PERFORMANCE CRITERIA.** The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the Performance Criteria unfair unless a revision is made. Notices will be provided by the Company to applicable regulatory authorities or stock exchanges as may be required with respect to the foregoing.
- (iii) **VESTING.** All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which satisfaction shall be made by the Board on the Determination Date. No PSU may vest before the date that is one year following the date it is granted or issued, unless a Participant dies or ceases to be an eligible Participant under this Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.
- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Section 5(b)(ix) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Section 5(b)(ix) hereof, provided that the Participant's estate makes a claim for such vested PSUs within 12 months of the Participant's death.

(vi) **TERMINATION OF EMPLOYMENT.**

- A. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, all PSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
- B. Where, in the case of Key Employees, other than as may be set forth in the applicable Award Agreement and below, a Participant's employment is terminated by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement, all PSUs granted to the Participant which, prior to the Participant's termination without cause, by voluntary termination or due to Retirement, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Section 5(b)(ix) hereof.
- C. In the case of Key Employees, upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of PSUs under this Plan shall cease as of the Termination Date.

(vii) **DISABILITY.** Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no Performance Share Units may be redeemed during a leave of absence. Where a Participant's employment is terminated due to Disability, all PSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Section 5(b)(ix) hereof.

(viii) **TERMINATION OF SERVICE.** Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, all PSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the Termination Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Section 5(b)(ix) hereof.

- (ix) **PAYMENT OF AWARD.** Payment to Participants in respect of vested PSUs shall be made after the Determination Date for the applicable Award and in any case within ninety-five (95) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement. The Company shall issue from treasury to the Participant, or if Section 5(b)(v) applies, to the Participant's estate, a number of Shares equal to the number of PSUs that have vested. As of the Vesting Date, the PSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such PSUs.

(c) **DEFERRED SHARE UNITS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of DSUs to officers of the Company or Directors in lieu of Fees. Directors become Participants effective as of the date he or she is first appointed or elected as a Director and cease to be Participants at the time they cease to be a Director for any reason. DSUs granted to a Participant in accordance with Section 5(c) hereof shall be credited, as of the Grant Date, to the Participant's Account. No DSU may vest before the date that is one year following the date it is granted or issued, unless a Participant dies or ceases to be an eligible Participant under this Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.
- (ii) **ELECTION.** Each Director may elect to receive any or all of his or her Fees in DSUs under this Plan. Elections by Participants regarding the amount of their Fees that they wish to receive in DSUs shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than June 15 of any given year with respect to Fees for the following year. Any Director who becomes a Participant during a fiscal year and wishes to receive an amount of his or her Fees for the remainder of that year in DSUs must make his or her election within 60 days of becoming a Director.
- (iii) **CALCULATION.** The number of DSUs to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the average price of the Shares over the period the Fees were earned (or such other price as determined by the Board, subject to Exchange policies). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional DSU, the Participant shall only be credited with a full number of DSUs (rounded down) and no payment or other adjustment will be made with respect to the fractional DSU.
- (iv) **PAYMENT OF AWARD.** Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director for any reason, or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date as the Participant and the Company may agree, which date shall be no later than the end of the calendar year following the year in which the Participant ceases to be a Director or any earlier period on which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be a Director or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Board, either:
- A. that number of Shares equal to the number of DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company; or

- B. a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be a Director of the DSUs credited to a Participant's Account, net of applicable withholdings.

In no event shall the value of the DSUs or cash payment be lower than the Discounted Market Price.

- (v) **DEATH.** Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with Section 5(c)(iv) hereof to the Participant upon such Participant ceasing to be Director.

(d) OPTIONS

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of Options to Directors, Key Employees and Consultants. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- (ii) **EXERCISE PRICE.** The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the Discounted Market Price. The Board shall not reprice or extend the term of any Options previously granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the Company will be required to obtain Disinterested Shareholder Approval in respect of any reduction in the exercise price or extension of the term of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction, if and to the extent required by the rules and policies of the Exchange.
- (iii) **TIME AND CONDITIONS OF EXERCISE.** The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten years. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- (iv) **EVIDENCE OF GRANT.** All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- (v) **EXERCISE.** The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised, unless the Option is exercised as a SAR (see Section 5(e)(iii)). Certificates for such Shares shall be issued and delivered to the optionee within a reasonable time following the receipt of such notice and payment. Neither the optionee nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such optionee under the terms of this Plan. If exercised as a SAR, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Company, must be included in the Plan's percent limitations (Section 4).

- (vi) **VESTING.** All Options granted to Persons retained to perform Investor Relations Activities will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting and becoming exercisable in any three (3) month period.
- (vii) **CHANGE OF CONTROL.** In the event of a Change of Control, each outstanding Option issued to Directors, Key Employees and Consultants, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- (viii) **DEATH.** Where, in the case of Directors and Key Employees, a Participant shall die while an optionee, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- (ix) **TERMINATION OF EMPLOYMENT.**
 - A. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, no Option held by such Participant shall be exercisable from the Termination Date.
 - B. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
 - C. Where, in the case of Key Employees, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where, in the case of Key Employees, a Participant's employment is terminated due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Termination Date or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
- (x) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the date the Participant ceases to be a director or prior to the expiration of the Option in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date the Participant ceased to be a director. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a

Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Participant ceases to be a Director or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date the Participant ceased to be a director.

- (xi) **TERMINATION OF SERVICE.** Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, no Option held by such Participant shall be exercisable from the date of termination of service.

(e) **STOCK APPRECIATION RIGHTS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant SARs to Directors, Key Employees, and Consultants, either on a stand-alone basis ("**SA Rights**") or in relation to any Option. SARs granted to a Participant shall be credited, as of the Grant Date, to the Participant's account. The number of SARs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.

- (ii) **SAR GRANT PRICE.** The exercise price of the SAR (the "**SAR Grant Price**") shall be determined by the Board at the time the SAR is granted. In no event shall the SAR Grant Price be lower than the Discounted Market Price permitted by the Exchange. Where a SAR is granted in relation to an Option, it shall be a right in respect of the same number of Shares, and the SAR Grant Price shall be the same as the exercise price of the Option it is granted in relation to. The Board shall not reprice the SAR Grant Price of any SARs previously granted under this Plan, except in accordance with the rules and policies of the Exchange.

- (iii) **PAYMENT.**

A. Subject to the provisions hereof, a SAR is the right to receive a payment in Shares (less any amount required to be withheld for taxes by applicable law) ("**SAR Amount**") equal to:

- i. the product of the number of SARs being exercised multiplied by the difference between the Market Unit Price and the exercise price; divided by
- ii. the Market Unit Price.

B. For greater clarity, if the number of SARs being exercised is 100,000, and the Market Unit Price has been calculated as \$0.80, and the exercise price is \$0.50, then the SAR Amount to be received will be 37,500 Shares, as follows:

$$((100,000) * (\$0.80 - \$0.50)) / \$0.80$$

C. Notwithstanding the foregoing, in the sole discretion of the Board, the Award Agreement may provide that the Company may elect to satisfy the exercise of a SAR (in whole or in part) by paying to the Participant cash in an amount equal to the SAR Amount in lieu of Shares.

- (iv) **TERMS OF SARs GRANTED IN CONNECTION WITH AN OPTION.** SARs may be granted in relation to an Option either at the time of the grant of the Option or by adding the SAR to an existing

Option. SARs granted in relation to an Option shall be exercisable only at the same time, by the same persons and to the same extent, that the related Option is exercisable. Upon the exercise of any SAR related to an Option, the corresponding portion of the related Option shall be surrendered to the Corporation and cancelled, and upon the exercise of any Option which has an accompanying SAR, the corresponding portion of the related SAR shall be surrendered to the Corporation and cancelled.

- (v) **TERMS OF SARs GRANTED ON A STAND-ALONE BASIS.** SA Rights shall be granted on such terms as shall be determined by the Board and set out in the Award Agreement (including any terms pertaining to vesting and settlement), provided the term of any SAR granted under this Plan shall not exceed ten years. No SA Right may vest before the date that is one year following the date it is granted or issued, unless a Participant dies or ceases to be an eligible Participant under this Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.
- (vi) **EXERCISE.** The exercise of any SAR will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the SAR is being exercised. If the Participant is to receive Shares, certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice. Neither the Participant nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to SARs under this Plan are issued to such Participant under the terms of this Plan.
- (vii) **CHANGE OF CONTROL.** In the event of a Change of Control, each outstanding SAR issued to Directors, Key Employees and Consultants, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.
- (viii) **DEATH.** Where, in the case of Directors and Key Employees, a Participant shall die while holding a SAR, any SAR held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the SAR shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date of death of such Participant.
- (ix) **TERMINATION OF EMPLOYMENT.**
 - A. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, no SAR held by such Participant shall be exercisable from the Termination Date.
 - B. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.

- C. Where, in the case of Key Employees, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs. Where, in the case of Key Employees, a Participant's employment is terminated due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Termination Date or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the Termination Date.
- (x) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any SAR held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the date the Participant ceases to be a director or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date the Participant ceased to be a director. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all SARs granted to the Participant under this Plan will continue to vest in accordance with the terms of such SARs, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any SAR held by such Participant shall remain exercisable for a period of 120 days after the Participant ceases to be a Director or prior to the expiration of the exercise period in respect of the SAR, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the SAR at the date the Participant ceased to be a director.
- (xi) **TERMINATION OF SERVICE.** Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, no SAR held by such Participant shall be exercisable from the date of termination of service.
- (f) **GENERAL TERMS APPLICABLE TO AWARDS**
- (i) **FORFEITURE EVENTS.** The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.
- (ii) **AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER.** Without limiting Section (5)(e), Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (iii) **NON-TRANSFERABILITY OF AWARDS.** Except as otherwise provided for in this Plan, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

- (iv) **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
 - (v) **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
 - (vi) **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.
- (g) **GENERAL TERMS APPLICABLE TO PERFORMANCE-BASED AWARDS**
- (i) **PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS.** At the time that a Performance-Based Award is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; and (G) foreign exchange gains and losses.
 - (ii) **ADJUSTMENT OF PERFORMANCE-BASED AWARDS.** The Board shall have the sole discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant Performance-Based Award. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any Performance-Based Award that will increase the amount payable under any such Award. The Board shall retain the sole discretion to adjust Performance-Based Awards downward or to otherwise reduce the amount payable with respect to any Performance-Based Award. However, the number of Shares that may be issued may be increased based on performance measures (the "Payout Multiplier"), the maximum aggregate number of Shares that might possibly be issued under the Plan pursuant to the Payout Multiplier must be included in the Plan's percent

limitations (Section 4) and the Plan permits the Company to make payment in cash if it does not have a sufficient number of Shares available under its Plan to satisfy its obligations under the Payout Multiplier.

SECTION 6. AMENDMENT AND TERMINATION

- (a) **DIRECTOR AND SHAREHOLDER APPROVAL OF PLAN.** This Plan must be approved by a majority of the Company's directors at the time it is implemented and at the time of any amendment. This Plan must also be approved by the Company's Shareholders at the time it is implemented and upon any changes to the total number of Shares issuable under the Plan. Any Awards granted under this Plan prior to receipt of Disinterested Shareholder Approval will not be exercisable or binding on the Company unless and until such approvals are obtained.
- (b) **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, **subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law.** Notwithstanding the foregoing, shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
- (i) amendments to fix typographical errors; and
 - (ii) amendments to clarify existing provisions of a Security Based Compensation Arrangement that do not have the effect of altering the scope, nature and intent of such provisions.

If this Plan is terminated, prior Awards shall remain outstanding and in effect in accordance with their applicable terms and conditions.

- (c) **AMENDMENTS TO AWARDS.** The Board may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, this Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

SECTION 7. GENERAL PROVISIONS

- (a) **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient.
- (b) **WITHHOLDING.** Subject to compliance with Policy 4.4 of the Exchange, the Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such

other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:

- (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
 - (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.
- (c) **NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS.** Subject to compliance with Policy 4.4 of the Exchange, nothing contained in this Plan shall prevent the Company from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- (e) **NO RIGHT AS SHAREHOLDER.** Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- (f) **GOVERNING LAW.** This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (g) **SEVERABILITY.** If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- (h) **NO TRUST OR FUND CREATED.** Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.

- (i) **NO FRACTIONAL SHARES.** No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- (j) **HEADINGS.** Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- (k) **NO REPRESENTATION OR WARRANTY.** The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- (l) **NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION.** Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- (m) **CONFLICT WITH AWARD AGREEMENT.** In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- (n) **COMPLIANCE WITH LAWS.** The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:
 - (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
 - (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8. EFFECTIVE DATE OF THIS PLAN

This Plan shall become effective (the "**Effective Date**") upon the date of approval by the Board, provided that any Awards granted hereunder, shall be subject to approval of this Plan by the shareholders of the Company given by affirmative vote of the majority of the Shares represented at the meeting of the shareholders of the Company at which motion to approve the Plan is presented.

SECTION 9. TERM OF THIS PLAN

This Plan shall terminate automatically 10 years after the Effective Date, provided that this Plan may be terminated on any earlier date as provided in Section 6 hereof, or if any approvals required by the Exchange are not obtained on the terms and conditions required thereby.