

PORTOFINO RESOURCES INC.

**NOTICE AND MANAGEMENT PROXY CIRCULAR
FOR THE
ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

TO BE HELD AT

10:00 am (Pacific time)
Wednesday, September 7, 2022

#520 – 470 Granville Street
Vancouver, BC
V6C 1V5
Canada

PORTOFINO RESOURCES INC.

#520 – 470 Granville Street
Vancouver, BC V6C 1V5
Toll-Free: 1-855-683-1991 ■ Tel: 604-683-1991 Fax: 604-683-8544

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, SEPTEMBER 7, 2022**

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the Shareholders of Portofino Resources Inc. (the “**Company**”) will be held at #520 – 470 Granville Street, Vancouver, BC, V6C 1V5 on **Wednesday, September 7, 2022 at 10:00 am** (Pacific time) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the financial year ended May 31, 2021, together with the auditor’s report thereon.
2. To appoint the auditors of the Company for the ensuing year; to authorize the Directors to fix the remuneration to be paid to the auditor; and to authorize the Directors, in their discretion, to change auditors during the year, subject to compliance with the requirements of the applicable securities law.
3. To fix the number of Directors for the ensuing year at three (3).
4. To elect Directors to hold office for the ensuing year.
5. To consider and, if deemed appropriate, with or without variation, an ordinary resolution reconfirming the Company’s 2016 Stock Option Plan (the “**Stock Option Plan**”), as more particularly described in the Information Circular.
6. To consider and, if deemed appropriate, with or without variation, an ordinary resolution by disinterested shareholders (shareholders without interest in this resolution) approving the equity incentive plan as more fully described in the Information Circular (the “**Modified Equity Incentive Plan**”).
7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying management information circulate (the “**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

The Board of Directors has fixed the close of business on the 21st day of July, 2022, as the record date for determination of shareholders entitled to notice of this Meeting or any adjournment(s) thereof and the right to vote thereat.

In order to mitigate potential risks of COVID-19 to the health and safety of our Shareholders, employees, and other stakeholders, we encourage you to vote by proxy in advance of the Meeting, rather than attending in person. The Company has established a conference call number 1-866-305-1460 and Passcode is 7680289 for those shareholders who wish to follow the proceedings.

Votes MUST be cast in-person or by proxy

NO votes will be accepted by telephone, please follow the instructions in the Proxy that accompanies the meeting materials

If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please complete, date and execute the accompanying form of proxy and deposit it with TSX Trust Company, 301 - 100 Adelaide Street West, Toronto ON M5H 1S3 by mail, fax or by hand (fax: 416-595-9593), or as otherwise instructed in the form of proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting. The Chair of the Meeting has the discretion to accept proxies received less than 48 hours prior to the Meeting.

If you are a non-registered shareholder of the Company and received these materials either directly from the Company or through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “Intermediary”), please complete and return the materials in accordance with the instructions provided to you by the Company or your Intermediary.

DATED at Vancouver, British Columbia, this 21st day of July, 2022.

PORTOFINO RESOURCES INC.

“David Tafel”

DAVID TAFEL, Chief Executive Officer

PORTOFINO RESOURCES INC.

#520 – 470 Granville Street, Vancouver, B.C., V6C 1V5
Toll-Free: 1-855-683-1991 | Tel: 604-683-1991 Fax: 604-683-8544

INFORMATION CIRCULAR

Dated: July 21, 2022

MANAGEMENT SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Portofino Resources Inc. (the “**Company**”) for use at the annual and special general meeting of the shareholders of the Company to be held at #520 – 470 Granville Street, Vancouver, B.C., V6C 1V5 at 10:00 am (Pacific time) on Wednesday, the 7th day of September, 2022 (the “**Meeting**”), and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual and Special General Meeting (the “**Notice of Meeting**”). Unless specified otherwise, the information contained in this Information Circular is current as at July 21, 2022.

Delivery of Proxy Materials

The Company has elected to use the notice and access method of delivering meeting materials to both registered and beneficial shareholders. Registered shareholders will still be mailed a form of proxy, and beneficial shareholders will still be mailed a voting instruction form, allowing them to vote at the Meeting. Shareholders will also receive in the mail a notice with information about the Meeting and instructions on how they can access electronic copies of the meeting materials rather than receiving printed copies. The meeting materials will be available on SEDAR (www.sedar.com) and the Company’s website (www.portofinoresources.com/corporate/aggm).

Shareholders may access electronic copies of the meeting materials online at the Company’s website or SEDAR on or after August 5, 2022, which is the date that the Company intends to commence mailing notice packages to the shareholders of record.

The Company does not intend to use “stratification” (i.e. sending a paper information circular and/or annual financial statements and MD&A to certain shareholders); however the Company will comply with standing instructions or other requests for paper information circular and/or annual financial statements and MD&A received from beneficial holders.

The Company intends to mail directly to its non-objecting beneficial owners (“NOBOs”) in compliance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”). The Company does not intend to pay for Intermediaries (as defined in the section ‘*Notice to Beneficial Holders*’ below) to forward meeting materials to the objecting beneficial owners (“OBOs”) pursuant to NI 54-101. Therefore, OBOs will not receive materials unless their Intermediary assumes the cost of delivery.

How to Obtain Paper Copies of the Proxy Materials

Shareholders may request that the Company mail to them a paper copy of this Information Circular and/or the Company’s Fiscal 2021 Annual Financial Statements and MD&A, at no cost to them, at any time up to one year from the date the documents were filed on SEDAR.

Requests to receive a paper copy of this Information Circular and/or the Company's Fiscal 2021 Annual Financial Statements and MD&A may be made by telephone by calling 1-855-683-1991. Requests to receive a paper copy of this Information Circular must be received by the Company by the close of business on August 19, 2022 in order to ensure that shareholders receive the mailed documents with sufficient time to allow them to complete and return their proxy or voting instruction form before the Proxy cut-off date and time.

Please note that if you request a paper copy of this Information Circular and/or the Company's Fiscal 2021 Annual Financial Statements and MD&A, you will not receive a new proxy or voting instruction form so you should retain the form mailed to you in order to vote.

PROXIES

Appointment of Proxies

The persons named in the form of proxy or voting instruction form (both referred to herein as the "Proxy") are nominees of the Company's management. **A shareholder wishing to appoint a person (who need not be a shareholder) to attend and act for him on his behalf at the Meeting, other than the persons designated as proxy holders in the enclosed Proxy, may do so by striking out the printed names and inserting the name of such other person in the blank space provided in the Proxy or by completing another proper form of proxy.** The completed Proxy or other proper form of proxy must be delivered or faxed to TSX Trust Company, or as otherwise instructed in the Proxy, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting. The Chairman of the Meeting has the discretion to accept proxies on the day of the Meeting.

Revocation of Proxies

A shareholder who has given a Proxy may revoke it at any time before it is exercised by an instrument in writing (a) executed by the shareholder or by his attorney authorized in writing, or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation; and (b) delivered or faxed to TSX Trust Company at 301 - 100 Adelaide Street West, Toronto ON M5H 1S3 (fax: 416-595-9593), or to the registered office of the Company at Suite 301 – 1228 Hamilton Street, Vancouver, BC V6B 6L2 (fax: 604-684-3350), at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, before any vote in respect of which the Proxy is to be used shall have been taken, or in any other manner provided by law. Attendance at the Meeting and participation in a poll by a shareholder will automatically revoke the Proxy.

Voting of Proxies and Exercise of Discretion by Proxyholders

The shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE PROXY.**

The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to any matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations, or other matters to come before this Meeting.

Solicitation of Proxies

Solicitations of proxies will be made by mail and may be supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokerage houses holding shares on behalf of clients) for the cost incurred in obtaining their authorization to execute forms of proxy. The cost of solicitation will be borne by the Company.

Notice to Beneficial Owners

Most beneficial owners of the Company's shares are NOT listed on the Company's register of shareholders. Beneficial owners will not be listed if they hold their shares through an intermediary, such as a brokerage firm, bank, trust company, RRSP, RRIF, TFSA, or other firm, financial institution or company. In this discussion, such owners are referred to as "you" or as a "Beneficial Owner", and the firm, financial institution or company through which you hold your shares are referred to as "Intermediaries". This discussion does not apply to owners of shares of the Company who hold their shares directly instead of through an Intermediary and who are therefore listed directly on the Company's register of shareholders.

The Company can only recognize votes and take instructions from shareholders who are listed on its register of shareholders.

The Company intends to mail directly to non-objecting beneficial owners ("NOBOs"). Therefore, if you are a NOBO, in order to vote at the Meeting, you will either need to instruct the Company on how to vote your shares, or instruct the Company to authorize you or someone you appoint to attend and vote at the Meeting. To do so, you will need to complete the Proxy sent to you by the Company, sign it and return it as instructed in the Proxy. If you want to attend and vote at the Meeting yourself, then you will need to strike out the names of the Management nominees just before the blank space on the Proxy and insert your own name in the blank space. You can also appoint someone else to attend the Meeting and vote on your behalf by inserting that person's name in the blank space instead of your own on the Proxy.

Intermediaries may assume the cost of delivery and mail to objecting beneficial owners ("OBOs"). The Company will provide Meeting materials to the Intermediaries as requested. Therefore, if you are an OBO, in order to vote at the Meeting, you will either need to instruct your Intermediary on how to vote your shares, or instruct the Intermediary to authorize you or someone you appoint to attend and vote at the Meeting. To do so, you will need to complete the Proxy sent to you by or on behalf of your Intermediary, sign it and return it to your Intermediary or to another party directed by your Intermediary. If you want to attend and vote at the Meeting yourself, then you will need to strike out the names of the Management nominees just before the blank space on the Proxy, and insert your own name in the blank space, or as otherwise instructed by your Intermediary. You can also appoint someone else to attend the Meeting and vote on your behalf by inserting that person's name in the blank space instead of your own on the Proxy, or as otherwise instructed by your Intermediary.

Again, if you wish to give voting instructions to persons listed on the Proxy to vote on your behalf at the Meeting or if you wish to attend the Meeting and vote in person or have someone else attend and vote on your behalf, you must complete the Proxy and return it in accordance with the instructions and time limits provided. This will enable persons listed on the Proxy either to vote your shares as you have directed, or to give formal notice to the Company that you or someone you have appointed has the authority to attend and vote at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the Directors or Executive Officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue unlimited common shares without par value, of which the Company has outstanding 109,632,843 common shares as at June 20, 2022, each common share carrying the right to one vote. The Directors have fixed July 21, 2022, as the record date for determination of shareholders entitled to notice of this Meeting or any adjournment(s) thereof. Shareholders of record at the close of business on July 21, 2022, are entitled to vote at the Meeting or adjournments thereof.

To the knowledge of the Directors and Executive Officers of the Company, there are no shareholders who beneficially own, directly, or indirectly, or exercise control or direction over, voting shares of the Company carrying more than 10% of the voting rights attached to all of the issued and outstanding voting shares of the Company.

APPOINTMENT OF AUDITORS

Shareholders will be asked to vote for the re-appointment of the Company's auditors, Manning Elliott LLP, Chartered Accountants, at a remuneration to be fixed by the Directors. Manning Elliott LLP, Chartered Accountants, was appointed as Auditor of the Company effective March 12, 2014. On the representations of the said accountants, neither that firm nor any of its partners has any direct financial interest or any material indirect financial interest in the Company or any of its subsidiaries or has had any connection during the past three years with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. Shareholders will be asked to approve the following resolution:

“RESOLVED, AS AN ORDINARY RESOLUTION, that Manning Elliott LLP, Chartered Accountants, be appointed as auditor of the Company, at a remuneration to be fixed by the Board of Directors, provided that the Board of Directors in their discretion may seek proposals from other qualified accounting firms for the position of auditor of the Company for the ensuing year, and, should one or more favourable proposals be received, the Directors may replace Manning Elliott LLP, Chartered Accountants, as the Company's auditor at any time during the ensuing year with a qualified accounting firm at a remuneration to be fixed by the Board of Directors, subject to compliance by the Company with the requirements of applicable securities laws.”

ELECTION OF DIRECTORS

Management proposes to nominate the persons named in the following table for election as Directors of the Company. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated.

At the Meeting, the Shareholders will be asked to vote on a resolution fixing the number of directors of the Company at three (3) and elect as directors the following Management nominees:

David Tafel

Stephen Wilkinson

Brian Crawford

The following table sets out the names of the nominees for election as directors, the province or state in which each is ordinarily resident, a brief biography of each, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of voting shares of the Company beneficially owned by each of them, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Residence, Position with the Company and Year First Became a Director ⁽¹⁾	Principal Occupation or Employment ⁽¹⁾	Voting Shares Owned or Controlled, Directly and Indirectly ⁽¹⁾
David Tafel ^{(2) (3)} British Columbia, Canada Director, CEO <i>Director since August 24, 2016</i>	Director of the Company since August 24, 2016. Mr. Tafel also serves as President & CEO of Centurion Minerals Ltd. and Westmount Minerals Corp. and as a director for Gold Mountain Mining Corp. He has served as director and officer of a number of public companies involved in the mining industry.	2,516,562 Common Shares
Stephen Wilkinson ^{(2) (4)} British Columbia, Canada Director <i>Director since Aug. 24, 2016</i>	Mr. Wilkinson was the Vancouver-based mining analyst for RBC Dominion Securities Inc. in the mid to late 1990's. From 1999 to 2002, he was President, CEO and a director of Northern Orion Explorations Ltd and newly appointed CEO of Gold'n Futures Mineral Corp. He has founded and funded a number of private and public exploration companies. Mr. Wilkinson has a Bachelor of Science from the University of Western Ontario (Geology, 1976), a Master of Science from Carleton University in Ottawa (Geology, 1983) and an MBA degree from Clarkson University in New York (1995).	143,750 Common Shares
Brian Crawford ^{(2) (4)} Ontario, Canada Director <i>Director since July 14, 2020</i>	Mr. Crawford holds a B. Com. from the University of Toronto and has extensive experience as a senior financial executive with public and private companies and as a partner in a national firm of chartered professional accountants. Brian currently serves as a Director, Corporate Secretary, and/or Chief Financial Officer of several TSX-V and CSE listed companies including Colibri Resource Corporation, Searchlight Resources Inc., CBLT Inc., Tempus Capital Inc., and Westmount Minerals Corp.	50,000 Common Shares

(1) The information as to province or state of residence, principal occupation and common shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually, or the Company has relied on public information provided on SEDI. Figure does not include options or warrants to purchase unissued shares of the Company.

(2) Audit Committee member.

(3) A director that is not independent pursuant to definitions set out in *National Policy 58-101 Disclosure of Corporate Governance Practices* and *National Instrument 52-110 Audit Committees*.

- (4) A director that is independent pursuant to definitions set out in *National Policy 58-101 Disclosure of Corporate Governance Practices* and *National Instrument 52-110 Audit Committees*.

Unless instructions are given to abstain from voting with respect to the election of directors, the persons named in the enclosed Proxy intend to vote FOR the election of the nominees named in the table above. Management of the Company has no reason to believe that any of such persons will be unable to serve as a director, but if that should occur for any reason prior to the election, the persons named in the enclosed Proxy reserve the right to vote for another nominee of their choice.

As at the date of this Information Circular, other than as follows, no proposed director was, or has been within 10 years before the date of this Circular,

- a director or executive officer of a company that, while that person was acting in that capacity
 - (i) was the subject of a cease trade or similar order, or an order that denied the issuer access to any exemptions under applicable Securities Laws, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- 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.

Mr. Tafel and Mr. Wilkinson were directors, of Centurion Minerals Ltd. ("**Centurion**") on December 5, 2017, when the BCSC issued a Cease Trade Order against Centurion for failure to file its audited annual financial statements for the year ended July 31, 2017. Subsequently, Centurion dismissed its auditor as it had lost confidence in the former auditors' ability to complete the audit in a timely fashion, if at all. Centurion engaged a new auditor effective February 13, 2018, and proceeded to file its audited financials on March 1, 2018, and on March 13, 2018, the interim financials for the first quarter ended October 31, 2017, were filed. The Cease Trade Order was revoked by the BCSC on May 3, 2018.

Mr. Crawford was a director and the CEO of CBLT Inc. ("**CBLT**") on October 4, 2019, when the Ontario Securities Commission ("**OSC**") issued a Cease Trade Order against CBLT for failure to file its audited annual financial statements and management's discussion and analysis for the year ended May 31, 2019, and certification of the foregoing filings. The required documents were subsequently filed and a revocation order from the OSC was issued on February 21, 2020.

Mr. Crawford became a director and officer of Interactive Capital Partners Corporation ("**ICPC**") on July 3, 2014, when ICPC was already the subject of a cease trade order issued on May 8, May 9, and May 17, 2012, by the OSC, BCSC, and Alberta Securities Commissions ("**ASC**") respectively as a result of its failure

to meet its timely disclosure filing obligations. The cease trade orders were revoked by the OSC and BCSC on April 4, 2016 and by the ASC on April 6, 2016.

Mr. Crawford became a director of Star Navigation Systems Group Inc. (“StarNav”) on December 11, 2019, when StarNav was the subject of a cease trade order issued on November 1, 2019, by the OSC as a result of its failure to meet its timely disclosure filing obligations. The cease trade order was partially revoked by the OSC on March 6, 2020, due to the efforts of Mr. Crawford. Mr. Crawford resigned from the board of directors of StarNav effective April 30, 2020.

STATEMENT OF EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation

The following table sets forth certain information regarding the compensation for the fiscal year ended May 31, 2021 of each of the directors and (i) the Chief Executive Officer of the Company in such year (ii) the Chief Financial Officer of the Company in such year and (iii) 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 fiscal year, whose total compensation was, individually, more than \$150,000 for fiscal 2021 (calculated in accordance with the prescribed form), or who would have been such an executive officer 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 the fiscal year (the “Named Executive Officers” or “NEOs”).

During fiscal 2021, the Company had two Named Executive Officers, Mr. David Tafel the CEO and Secretary, Mr. Jeremy Wright (CPA, CMA) the CFO of the Company.

Table of compensation excluding compensation securities							
Name and position (1)	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
David Tafel ⁽²⁾ <i>President, CEO and Director</i>	2021	135,000	n/a	n/a	n/a	n/a	135,000
	2020	105,000	n/a	n/a	n/a	n/a	105,000
Jeremy Wright <i>CFO, Secretary</i>	2021	60,000	n/a	n/a	n/a	n/a	60,000
	2020	75,000	n/a	n/a	n/a	n/s	75,000
Kenneth A. Cawkell <i>Director</i>	2021	n/a	n/a	n/a	n/a	n/a	n/a
	2020	n/a	n/a	n/a	n/a	n/a	n/a
Stephen Wilkinson <i>Director</i>	2021	15,200	n/a	n/a	n/a	n/a	15,200
	2020	n/a	n/a	n/a	n/a	n/a	n/a
Brian Crawford <i>Director</i>	2021	n/a	n/a	n/a	n/a	n/a	n/a
	2020	n/a	n/a	n/a	n/a	n/a	n/a

(1) Mr. Tafel was appointed to the Board on August 24, 2016, and as CEO on October 4, 2016; Mr. Wright was appointed as CFO on October 4, 2016 and as Secretary on March 31, 2020; Mr. Crawford was appointed as director on July 14, 2020.

(2) Mr. Tafel received fees in his capacity as President and CEO of the Company and \$Nil in his capacity as a director.

Stock Options and Other Compensation Securities

The following table sets out incentive option-based awards granted or issued to each Director and Named Executive Officer during the financial year ended May 31, 2021. During the financial year ended May 31, 2021, the Company did not award any compensation securities other than options.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
David Tafel <i>President, CEO and Director</i>	Stock Options	600,000	07/14/2020	\$0.12	\$0.115	\$0.095	07/13/2025
Jeremy Wright <i>CFO and Secretary</i>	Stock Options	350,000	07/14/2020	\$0.12	\$0.115	\$0.095	07/13/2025
Stephen Wilkinson <i>Director</i>	Stock Options	250,000	07/14/2020	\$0.12	\$0.115	\$0.095	07/13/2025
Brian Crawford <i>Director</i>	Stock Options	200,000	07/14/2020	\$0.12	\$0.115	\$0.095	07/13/2025

Stock Option Plan and Modified Equity Incentive Plan

The Company has in place a “rolling” Stock Option Plan which was approved by the Board on March 31, 2020 (the “**Stock Option Plan**”), pursuant to which the Directors of the Company are authorized to grant up to 10% of the issued and outstanding shares of the Company as it may be from time to time.

In addition, the Company has adopted a modified equity incentive plan which was approved by the Board on July 18, 2022 (the “**Modified Equity Incentive Plan**”, together with the Stock Option Plan, the “**Plans**”). The adoption of the Modified Equity Incentive Plan is subject to approval of a resolution by the disinterested shareholders, details of which are more particularly set forth in this Information Circular. See “*Modified Equity Incentive Plan*”. Pursuant to the Modified Equity Incentive Plan, the Directors of the Company are authorized to grant up to an aggregate of 3,500,000 share appreciation rights, deferred share units, restricted share units or performance shares units (collectively, the “**Awards**”).

The Plans are administered by the Board of Directors, or a committee thereof, who have the authority to grant options or Awards to directors, officers, employees, and consultants. At the time an option or Award is granted, the Board will determine the exercise price or grant price, which shall not be less than the closing price of the common shares traded on the TSX Venture Exchange (“**TSX-V**”) on the day immediately preceding the date of the grant, and any vesting criteria or other restrictions with respect to the exercise of the options or Awards. Subject to the restrictions contained in the Plans, the Directors or a committee thereof may also impose such other terms and conditions as it shall deem necessary or advisable at the time of the grant. Options and Awards are granted primarily to provide an incentive to achieve the Company’s goals by aligning the interests of such officers with those of shareholders, attracting and retaining personnel, and acting as a longer-term incentive to such personnel to encourage commitment to the Company and its

objectives. All securities under option or Award are Common Shares.

Employment, Consulting and Management Agreements

Service Contracts

During Fiscal 2017, the Company entered into a service contract with its CFO. While the Company had no formal written agreement with its CEO during Fiscal 2017, subsequent to the fiscal year end, the Company entered into a service contract with the CEO. The service contracts with the CFO and CEO have no fixed term and are based on an ongoing monthly fee. The arrangement between the Company and its senior management includes non-disclosure covenants requiring the CEO and CFO to keep the Company's confidential information confidential and prohibiting its use other than on behalf and for the benefit of the Company, both during employment and for an indefinite period thereafter.

In the event of termination by the Company, the CFO is entitled to receive a payment equal to one times his monthly retainer for each year he has been employed by the Company, including a prorated amount for partial years (\$5,000 per year). The CEO is entitled to 120 days notice of termination, or payment in lieu thereof (\$49,315).

The Company's non-management Directors are entitled to receive compensation for acting as directors, or for providing extra services to the Company, in the form of stock options, bonuses or other compensation as the Board of Directors of the Company may determine from time to time. Subsequent to the fiscal year end, the Company has entered into Memorandums of Understanding ("MOUs") with Mr. Crawford and Mr. Wilkinson. Directors of the Company are also entitled to reimbursement for any expenses incurred by them on behalf of the Company.

Certain Directors of the Company are partners or principals of other businesses which have provided professional services to the Company during the last completed financial year, and for which the Company has made certain payments.

The agreements with the CEO and non-management Directors provide for severance payments in the event of a change of control. For the purposes of the service contracts and MOUs, a "Change of Control" shall be deemed to have occurred when:

- (a) a person, other than the current control person of the Company, if any, either alone or acting jointly or in concert with any person, beneficially owns, or exercises control or direction over, thirty percent (30%) or more of the outstanding voting securities of the Company; or
- (b) a majority of the directors elected at any annual or special general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board;

"person" includes an individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law.

In the event of a Change of Control, the Company shall continue to engage the individual in the same capacity and with the same authority, responsibilities and status as he had as of the date immediately prior to the Change of Control. Within 180 days of a Change of Control, the individual may terminate the agreement upon notice to the Company. The Company shall pay the individual, within 5 days of such

termination notice, a severance payment as follows: i) Mr. Crawford and Mr. Wilkinson each receive an amount equal to \$100,000 plus any bonuses approved by the Board of Directors of the Company that remain unpaid; ii) Mr. Tafel receives an amount equal to two year's salary plus any bonuses approved by the Board of Directors of the Company that remain unpaid (\$300,000); and iii) Mr. Wright the CFO is entitled to receive an amount equal to a minimum of eighteen times his monthly retainer (\$90,000 minimum).

Pursuant to the terms of the Company's Stock Option Plan (see *Stock Option Plan* below), in the event of termination other than by death or disability, all options to purchase common shares then held by the director or officer will terminate on the 90th day following termination, except for termination other than for cause, resignation, Regulatory order, ceasing to meet the requirements to hold office set out in corporate legislation, or being removed as a director by special resolution of the shareholders; then in such event the options shall terminate immediately; provided however, the termination of options may be determined by the Board or a committee thereof and be expressly contained in the Option Certificate. In the event of the death or permanent disability of an option holder, options terminate on the earlier of 365 days after the date of death or the original expiry date of the option. See also Modified *Equity Incentive Plan* below for details regarding termination of Awards.

Other than disclosed above, the Company has no plans or arrangements in respect of remuneration received or that may be received by the CEO, CFO, or any other director or officer of the Company in the Company's most recently completed fiscal year or current fiscal year in respect of compensating such officers in the event of termination of employment as a result of resignation, retirement, a change of control of the Company, or a change in an individual's responsibilities.

Indemnity Agreements and Directors' and Officers' Liability Insurance

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company, to the extent permitted by law, and has entered an Indemnity Agreement with each of its directors and the current CEO and CFO. The Company does not hold insurance coverage for directors' and officers' liability.

Compensation Oversight

The Board of Directors as a whole considers and determines all compensation matters for the CEO, CFO and Directors. From time to time, the Board evaluates the compensation of the executives and ensures that they are compensated fairly in a manner consistent with the compensation strategy of the Company, internal equity considerations, and the competitive environment.

The Company is not intending to make any significant changes to its compensation policies and practices in the current financial year.

Currently, the Company's executive compensation package consists of a consulting fee and long-term incentive in the form of stock options and Awards. While the Company has no formal executive bonus plan the executives may receive bonuses from time to time. In determining compensation, the Board considers in addition to the financial resources of the Company, industry, local and national standards. Compensation is not tied to specific performance criteria or goals. While the Company is generally aware of industry compensation standards, the Company does not benchmark with a specific group of comparable companies.

Salaries

Salaries for NEOs are set out in each executive's service contracts, as amended from time to time. Such salaries are reviewed on a regular basis by the Board. The initial annual salaries of the Company's current executive officers were negotiated at the time of their entering a formal agreement based on the Company's evaluation of the responsibilities inherent in the position held and the individual's experience and past performance, as well as by reference to the competitive marketplace for management expertise.

Stock Options and Awards

Options and Awards are granted, from time to time, pursuant to the Company's Stock Option Plan and Equity Incentive Plan, as a means of aligning the interests of such officers with those of shareholders, attracting and retaining personnel, and acting as a longer-term incentive to such personnel to encourage commitment to the Company and its objectives.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

EQUITY COMPENSATION PLAN INFORMATION (AS AT MAY 31, 2021)

Following is a summary of shares subject to options outstanding under the Company's Stock Option Plan and shares remaining available for grant as at May 31, 2021. No Awards are outstanding under the Equity Incentive Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance (excluding securities reflected in column (a)⁽¹⁾ (c)
Fiscal 2021			
Equity compensation plans approved by securityholders	4,233,750	\$0.16	3,945,874
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	4,233,750	\$0.16	3,945,874

⁽¹⁾ The total number of securities which may be issued under the Company's Stock Option Plan, described below, is at any time, 10% of the Company's outstanding common shares at such time. At June 20, 2022 the Company had 109,632,843 shares issued and outstanding and was entitled to issue 5,125,000 options.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Company's required annual disclosure of its corporate governance practices.

Board of Directors

Of the current Board of Directors of the Company, Stephen Wilkinson and Brian Crawford are independent directors. David Tafel is not an independent director by virtue of his position as CEO and Secretary of the Company.

Directorships

The following directors of the Company are also directors in the following reporting issuers:

David G. Tafel	Centurion Minerals Ltd. (TSX-V) Gold Mountain Mining Corp. (TSX-V) Westmount Minerals Corp. (CSE)
Stephen J. Wilkinson	Westmount Minerals Corp. (CSE)
Brian Crawford	Colibri Resource Corporation (TSX-V) CBLT Inc. (TSX-V) Tempus Capital Inc. (CSE) Westmount Minerals Corp. (CSE)

Orientation and Continuing Education

Management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers, committee members and the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSX-V to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's Board either by way of Director or Committee meetings or circulated in a memorandum.

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.

Pursuant to 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.

Nomination of Directors

The Company's management is continually in contact with individuals involved in the mining industry and public sector resource issuers. From these sources the Company has made numerous contacts and in the event that the Company were in a position to nominate any new directors, such individuals would be brought to the attention of the Directors of the Company. The Company conducts due diligence, reference and background checks on any suitable candidate and if selected to be appointed as a Director. The Board as a whole is involved in the selection process and the Board is then involved to review any proposed compensation.

Compensation

Compensation matters are considered by the full Board of Directors. See *Statement of Executive Compensation* above for information regarding the Company's compensation of its Directors and CEO.

Other Board Committees

The Company currently has no committees other than the Audit Committee. The Audit Committee Charter and additional disclosure related to the Audit Committee is attached hereto in Appendix 1.

Assessments

Being a venture issuer with limited administration resources, the Directors of the Company work closely with management, and each other, and as a consequence are in a position to assess the performance of the Board, its committees and individual directors on an ongoing basis.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors or Executive Officers of the Company or associates or affiliates of such persons is or has been indebted to the Company or its subsidiaries at any time since the beginning of the last completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise set out in this Information Circular and other than transactions carried out in the ordinary course of business of the Company, no insider or proposed nominee for election as a director of the Company, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year, or in any proposed transaction which in either such case has materially affected or will materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Stock Option Plan

On February 19, 2016, the Directors of the Company approved the Stock Option Plan. Pursuant to the Stock Option Plan, Directors are authorized to grant up to 10% of the issued and outstanding shares of the Company as it may be from time to time. As at the date of this Information Circular, the Company is entitled to issue 10,963,284 options subject to the Stock Option Plan, there are a total of 5,125,000 options outstanding, and a further 5,838,284 available for issuance.

Subject to the Policies of the TSX-V, a “rolling” stock option plan must be approved and ratified annually by the Shareholders at the Meeting of the Shareholders of the Company. The Plan was last approved by Shareholders at the Company’s last AGM held on June 7, 2021.

A copy of the Stock Option Plan is available for review at the offices of the Company at Suite 520 - 470 Granville Street, Vancouver, British Columbia V6C 1V5.

At the Meeting, Shareholders will be asked to approve the following resolution:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the Stock Option Plan be and is hereby approved, ratified and confirmed;
2. the Board be and is hereby authorized to grant options under and subject to the terms and conditions of the Stock Option Plan, which may be exercised to purchase up to 10% of the issued and outstanding common shares of the Company;
3. the Board is hereby authorized to make any changes to the Stock Option Plan: (a) as may be required by the TSX-V; or (b) that are consistent with the requirements of the TSX-V as may be determined from time to time by the Board; and
4. any one director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

Approval of the Modified Equity Incentive Plan

At the Meeting, shareholders of the Company will be asked to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution in the form set out below, approving the adoption of the modified equity incentive plan (the "**Modified Equity Incentive Plan**"). The Modified Equity Incentive Plan will supplement and be in addition to the Stock Option Plan. A copy of the proposed Modified Equity Incentive Plan is attached as Appendix 2 to this Information Circular. The Company will maintain the Modified Equity Incentive Plan in accordance with *Policy 4.4 – Security Based Compensation* of the Corporate Finance Manual of the TSX-V.

The Modified Equity Incentive Plan will be a fixed plan that provides for the grant of incentive stock awards, including stock appreciation rights, restricted stock awards, restricted stock unit awards and other awards (collectively "**Awards**" or "**Equity Incentives**") based on common shares. Under the Modified Equity Incentive Plan, these Awards are available to employees, consultants, and directors of the Company (collectively "**Eligible Persons**"). A "Participant" is an Eligible Person to whom an Award has been granted under the Modified Equity Incentive Plan.

The maximum number of Shares that may be reserved for issuance under Fixed Share Awards is 3,500,000. This is a fixed maximum which will not increase or decrease depending on the number of outstanding Shares.

Subject to the limits of the Modified Equity Incentive Plan, the maximum number of Shares reserved for issue pursuant to Equity Incentives granted to Participants who are insiders of the Company in any 12-month period may not exceed, in the aggregate, 10% of the number of Shares then outstanding, unless disinterested shareholder approval is received in accordance with the policies of the TSX-V. The maximum number of Shares for which Awards may be issued to any one Participant at the time of the grant shall not exceed 1% of the outstanding Shares and in any 12-month period shall not exceed 2% of the outstanding Shares in the aggregate, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the TSX-V, in which case the maximum number to any one Participant shall not exceed 5% in the aggregate in any 12 month period.. Notwithstanding the foregoing, the maximum number of Shares reserved for issue to any one consultant upon the exercise of Awards in any 12-month period shall not exceed 2% of the number of Shares then outstanding. Persons engaged in Investor Relations activities may not receive any Equity Incentives under the Modified Equity Incentive Plan.

The Awards will be subject to such restrictions as the Board may impose and which comply with the requirements of the TSX-V, which restrictions may lapse separately or in combination at such time or times, in such instalments or otherwise as the Board determines. The Board is authorized to grant Fixed Share Awards, in the form of Shares, to Eligible Persons, subject to the terms and conditions of the Modified Equity Incentive Plan and any requirements of the TSX-V. Under the Modified Equity Incentive Plan, a fixed number of Fixed Share Awards in the form of Shares will be reserved for issuance.

The Modified Equity Incentive Plan will be administered by the Board, which has the authority to delegate administration of the plan to one or more of its committees. All employee Equity Incentives will be governed by an individual agreement and vest in accordance with the vesting schedule set forth in such agreement. The Board may choose to accelerate the vesting schedule upon a change of control. The exercise price for an Equity Incentive granted under the Modified Equity Incentive Plan shall not be less than the Discounted Market Price (as defined in the policies of the TSX-V), or such other price as permitted pursuant to a waiver obtained from the TSX-V, of Shares on the effective date of grant. The term of each Equity Incentive shall be fixed by the Board, but no option shall be exercisable more than ten years after the date the Equity Incentive is granted.

All Equity Incentives are non-assignable and non-transferable. The Modified Equity Incentive Plan provides that, during the lifetime of a participant, an Equity Incentive shall be exercisable only by a participant or a participant's guardian or legal representative. An Equity Incentive shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of a participant or a participant's beneficiary, except transfer by will or by the laws of descent and distribution.

Equity Incentive will be evidenced by certificates that set forth the terms, conditions and limitations for each Equity Incentive which may include, without limitation, the term of an Equity Incentive and the provisions applicable in the event employment or service terminates.

The Board may, at any time, amend, suspend or terminate the Modified Equity Incentive Plan. To the extent required under the rules of any securities exchange or market system on which the Shares are listed, amendments to the Modified Equity Incentive Plan shall be subject to approval by the Company's shareholders entitled to vote at a meeting of shareholders.

Pursuant to the policies of the TSX-V, the Modified Equity Incentive Plan must be approved by a majority of the votes cast by shareholders, excluding votes attached to all those Directors, Employees and Consultants (as such terms are defined in *Policy 4.4 – "Security Based Compensation"* of the Corporate Finance Manual of the TSX-V)

to whom Fixed Share Awards may be granted under the Modified Equity Incentive Plan and their associates and affiliates, ("**Disinterested Shareholders**"). There are 2,710,312 Shares that will be excluded from the vote for approval of the Modified Equity Incentive Plan.

The Modified Equity Incentive Plan was approved by the Board on July 18, 2022.

Resolutions Approving the Company's Modified Equity Incentive Plan

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, approve the following resolution:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the Modified Equity Incentive Plan, as defined in the Information Circular, is hereby approved;
2. the Company is hereby authorized to issue Awards under the Modified Equity Incentive Plan to a maximum of 3,500,000 Shares reserved for issuance upon the exercise of Fixed Share Awards, subject in each case to compliance with the policies of the TSX-V;
3. the Board is hereby authorized to make any changes to the Modified Equity Incentive Plan: (a) as may be required by the TSX-V; or (b) that are consistent with the requirements of the TSX-V as may be determined from time to time by the Board; and
4. any one director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

In order for the resolution to be passed, approval by the majority of the Shares voted in respect thereof at the Meeting by Disinterested Shareholders is required. The Board unanimously recommends that shareholders vote FOR the Equity Incentive Plan resolution.

Unless otherwise instructed, the management proxyholders appointed pursuant to the accompanying form of proxy will vote "FOR" the approval of the Modified Equity Incentive Plan.

OTHER MATTERS

The management of the Company is not aware of any matter to come before the Meeting other than as set forth in the Notice of Meeting and this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company to request copies of the Company's information circular, financial statements and MD&A, and any other public documents of the Company referred to herein, free of charge, by contacting David Tafel at #520 – 470 Granville Street, Vancouver, B.C., V6C 1V5 or by telephone at 1-855-683-1991.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

DATED this 21st day of July, 2022.

ON BEHALF OF THE BOARD OF DIRECTORS
PORTOFINO RESOURCES INC.

"David G. Tafel"

David G. Tafel
CEO

APPENDIX 1
FORM 52-110F2 - DISCLOSURE BY VENTURE ISSUERS

1. The Audit Committee Charter

The Company's Audit Committee Charter is set forth below in Appendix 1.1.

2. Composition of the Audit Committee and Relevant Education and Experience

The Audit Committee currently consists of: David Tafel, Stephen Wilkinson and Brian Crawford. Mr. Tafel is not "independent", Mr. Crawford and Mr. Wilkinson are "independent", and all members are "financially literate" as such terms are defined in National Instrument 52-110 - Audit Committees ("NI 52-110").

3. Relevant Education and Experience

The education and experience of each Audit Committee member are described below and in this Information Circular under the section entitled "*Election of Directors*".

David Tafel

Mr. Tafel holds a BA in Economics and completed multiple intermediate and advanced accounting courses as part of his university curriculum. He has over 35 years of corporate structuring, strategic planning, financing, and management experience. He has served as a director and officer of a number of public companies involved in the mining industry, and roles have included audit committee member and chairman.

Stephen Wilkinson

Mr. Wilkinson was the Vancouver-based mining analyst for RBC Dominion Securities Inc. in the mid to late 1990's. From 1999 to 2002, he was President, CEO and a director of Northern Orion Explorations Ltd and newly appointed CEO of Gold'n Futures Mineral Corp. He has extensive international experience in the mining and finance industries having served as an officer and director of several private and public companies. Mr. Wilkinson has a Bachelor of Science from the University of Western Ontario (Geology, 1976), a Master of Science from Carleton University in Ottawa (Geology, 1983) and an MBA degree from Clarkson University in New York (1995).

Brian Crawford

Mr. Crawford holds a B. Com. from the University of Toronto and has extensive experience as a senior financial executive with public and private companies and as a partner in a national firm of chartered professional accountants. Brian currently serves as a Director, Corporate Secretary, and/or Chief Financial Officer of several TSX-V and CSE listed companies including Colibri Resource Corporation, Searchlight Resources Inc., CBLT Inc., Tempus Capital Inc., and Westmount Minerals Corp.

4. Audit Committee Oversight

See Appendix 1.1 Roles and Responsibilities. Since the commencement of the Company's most recently completed financial year, no recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the Board of Directors.

5. Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, it has not relied on the exemptions in section 2.4 (*De Minimum Non-audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110 or an exemption granted under Part 8 (*Exemptions*) of NI 52-110.

6. Pre-Approval Policies and Procedures

The Audit Committee approves any requests for audit and non-audit services and fees rendered to the Company and its subsidiaries by the external auditor.

7. External Auditor Service Fees (By Category)

The fees paid to the Company's external auditor in each of the last two fiscal years are as follows:

<i>Year Ended May 31</i>	<i>Audit Fees</i>	<i>Audit-Related Fees</i>	<i>Tax Fees⁽¹⁾</i>	<i>All Other Fees</i>
2021	\$21,000	Nil	\$2,500	Nil
2020	\$18,000	Nil	\$2,500	Nil

8. Exemption

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in section 6.1 of NI 52-110, which exempts it from the requirements of Part 3 (*Composition of Audit Committees*) and Part 5 (*Reporting Obligations*) of NI 52-110.

APPENDIX 1.1

PORTOFINO RESOURCES INC. CHARTER OF THE AUDIT COMMITTEE

A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Issuer's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company 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.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "Board"), the majority of whom cannot be Officers, Employees or Control Persons of the Issuer.
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. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
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. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. 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. The external auditors or any member of the Committee may request a meeting of the Committee;
 - b. the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - c. management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. 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 employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. ROLES AND RESPONSIBILITIES

1. 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 Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
 - b. to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - c. to ensure that the management of the Company 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.
2. 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 Company, 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 Company's financial and auditing personnel;
 - iv. co-operation received from the Company's personnel during the audit;
 - v. internal resources used;
 - vi. significant transactions outside of the normal business of the Company;
 - 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 Company'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.
 3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
 - a. periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - b. review and approve the internal audit plan; and
 - c. review significant internal audit findings and recommendations, and management's response thereto
 4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
 - a. review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - b. review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - c. review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - d. periodically review the Company'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.
 5. The Committee is also charged with the responsibility to:
 - a. Review and approve the Company's interim financial statements and related Management's Discussion & Analysis ("MD&A"), including the impact of unusual items and changes in accounting principles and

estimates;

b. review and approve the financial sections of:

- i. the annual report to shareholders;
- ii. the annual information form;
- iii. annual MD&A;
- iv. prospectuses;
- v. news releases discussing financial results of the Company; 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 Company's consolidated financial statements;
- d. review the appropriateness of the policies and procedures used in the preparation of the Company'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 Company's consolidated 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 Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- h. review the Company'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 following each annual general meeting of shareholders.

PORTOFINO RESOURCES INC.

EQUITY INCENTIVE COMPENSATION PLAN

Article 1 ESTABLISHMENT, PURPOSE, AND DURATION

1.1 *Establishment of the Plan.*

The following is the omnibus equity incentive compensation plan (the “**Plan**”) of Portofino Resources Inc. (the “**Company**”) pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below).

The Plan permits the grant of SARs, RSUs, DSUs and PSUs (as such terms are defined below). The Plan was approved by the Board (as defined below) on **July 18, 2022** and will be effective as of the date the Plan is approved by shareholders of the Company (the “**Effective Date**”) until the earlier of (i) the date it is terminated by the Board in accordance with the Plan, and (ii) 10 years after the Effective Date.

1.2 *Purpose of the Plan.*

The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified Directors, officers, Employees and Consultants; (ii) align the interests of Participants with that of other shareholders of the Company generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.

Article 2 DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

“**Affiliate**” has the meaning ascribed thereto under Policy 1.1.

“**Associate**” has the meaning set forth in the BCSA.

“**Award**” means, individually or collectively, a grant under the Plan of SARs, DSUs, RSUs and PSUs, in each case subject to the terms of the Plan.

“**Award Agreement**” means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

“**BCSA**” means the *Securities Act* (British Columbia), as it may be amended from time to time.

“**Blackout Period**” means a period of time formally imposed by the Company during which one or more Participants is prohibited from trading any securities of the Company as a result of the bona fide existence of undisclosed Material Information from time to time, including pursuant to the Company’s insider trading policy and/or applicable laws;

“**Board**” or “**Board of Directors**” means the board of directors of the Company as may be constituted from time to time.

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

“**Cause**” means (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term “cause” is defined in such agreement, “cause” as defined in such agreement; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Company’s reasonable instructions with respect to the performance of his

or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an Employee.

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

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than a disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares or securities; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

“**Code**” means the U.S. Internal Revenue Code of 1986, as it may be amended from time to time.

“**Committee**” means the Board or if so delegated in whole or in part by the Board, the compensation committee of the Board, or any other duly authorized committee of the Board appointed by the Board to administer the Plan.

“**Company**” means Portofino Resources Inc.

“**Consultant**” has the meaning ascribed thereto under Policy 4.4.

“**Director**” means any individual who is a member of the Board of Directors of the Company.

“**Disability**” means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

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

“**Dividend Equivalent**” means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

“**DSU**” means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

“**Employee**” means any employee or officer of the Company or an Affiliate of the Company. Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

“**Exchange**” means the TSXV or at any time the Shares are not listed and posted for trading on the TSXV, as well as any other stock exchange or quotation system whose rules and/or policies may be applicable to the Company, from time to time;

“**FMV**” means, unless otherwise required by the policies of the TSXV, a price that is determined by the Committee in good faith as the fair market value of a Share at a relevant date which may be calculated as the volume weighted

average trading price of the Shares on the Exchange for the five trading days immediately preceding a date determined by the Committee for the calculation of a FMV, provided that such price cannot be less than the Discounted Market Price for so long as the Shares are listed for trading on the TSXV.

“**Good Reason**” a resignation or Retirement following a Change of Control shall be considered to be for good reason if any of the following occur without the consent of the Participant:

- (a) a substantial and detrimental alteration of his or her position or title or in the nature or status of his or her responsibilities from those in effect immediately prior to the Change of Control,
- (b) a reduction of 10% or more of his or her base salary or target bonus and cancellation of applicable compensation plans and the failure to replace those plans with substantially comparable plans;
- (c) the failure to continue to provide employment benefits and perquisites comparable to those enjoyed immediately prior to the Change of Control; or
- (d) the Participant being relocated to an office or location that is 50 kilometres or more from the current location where he or she is employed.

“**Grant Date**” means, for any Award, the date specified by the Committee at the time it grants the Award or if no such date is specified, the date upon which the Award was granted.

“**Grant Price**” means the price against which the amount payable is determined upon exercise of a SAR.

“**Insider**” shall have the meaning ascribed thereto in Section 1(1) of the BCSA.

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

“**ITA**” means the *Income Tax Act* (Canada), as it may be amended from time to time.

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

“**Non-Employee Director**” means a Director who is not an Employee.

“**Notice Period**” means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant’s employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

“**Option**” means the conditional right to purchase Shares at a stated exercise price for a specified period of time subject to the terms of the Option Plan.

“**Option Plan**” means the stock option plan adopted by the Company and approved by its shareholders, as such plan may be amended from time-to-time.

“**Participant**” means an Employee, Non-Employee Director or Consultant who is not an Investor Relations Service Provider who has been selected to receive an Award, or who has an outstanding Award granted under the Plan.

“**Performance Period**” means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

“**PSU**” means an Award granted under Article 9 and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

“**Period of Restriction**” means the period when an Award of RSUs is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

“**Person**” shall have the meaning ascribed to such term in Section 1(1) of the BCSA.

“**Policy 1.1**” means Policy 1.1 – *Interpretation* of the TSXV.

“**Policy 4.4**” means Policy 4.4 – *Security Based Compensation* of the TSXV.

“**Retirement**” or “**Retires**” means a Participant’s permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted and determined by the Board.

“**RSU**” means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 7 and subject to the terms of the Plan.

“**SAR**” means the conditional right to receive the difference between the FMV of a Share on the date of exercise over the Grant Price, pursuant to the terms of Article 6 and subject to the terms of the Plan.

“**Shares**” means common shares of the Company, or any share or shares issued in replacement of such common shares in compliance with Canadian law or other applicable law, or after an adjustment as contemplated herein, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“**Termination Date**” means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a cessation of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant’s employment, officer position, Board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have ceased effective on the last day of the Participant’s actual and active employment, officer position or Board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant’s last day of actual and active employment shall be considered as extending the Participant’s period of employment for the purposes of determining his or her entitlement under the Plan.

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

“**Voting Securities**” shall mean any securities of the Company ordinarily carrying the right to vote at elections of Directors and any securities immediately convertible into or exchangeable for such securities.

Article 3 ADMINISTRATION

3.1 General.

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.

3.2 Authority of the Committee.

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, subject to the policies of the Exchange and applicable laws, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 14, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the policies of the Exchange, applicable laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

3.3 Delegation.

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

Article 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Maximum Number of Shares Available for Awards.

The maximum number of Shares that may be reserved for issuance pursuant to Awards issued under the Plan shall be equal to 3,500,000.

Any Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall form part of the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

4.2 Investor Relations Service Providers.

For avoidance of doubt Investor Relations Service Providers do not constitute Participants under the Plan and are not eligible for any Awards pursuant hereto.

4.3 Limits on Grant of Awards.

Notwithstanding anything in this Plan, unless the Company obtains disinterested shareholder approval as required by the policies of the Exchange:

- (a) the aggregate number of Shares issuable to Insiders at any time under this Plan and the Option Plan shall not exceed ten (10%) percent of the Company's issued and outstanding Shares as of the Grant Date;
- (b) the aggregate number of Shares issuable to Insiders within any one (1) year period under this Plan and the Option Plan shall not exceed ten (10%) percent of the Company's issued and outstanding Shares as of the Grant Date;
- (c) for so long as the Shares are listed and posted for trading on the TSXV, not more than two (2%) percent of the Company's issued and outstanding Shares as of the Grant Date may be granted to any one Consultant in any 12 month period;
- (d) for so long as the Shares are listed and posted for trading on the TSXV, unless the Company has obtained disinterested shareholder approval, not more than five (5%) percent of the Company's issued and outstanding Shares as of the Grant Date may be issued to any one Participant in any 12 month period whether pursuant to this Plan or the Option Plan;
- (e) for so long as the Shares are listed and posted for trading on the TSXV, not more than two (2%) percent of the Company's issued and outstanding Shares as of the Grant Date may be granted to any one Consultant in any 12 month period whether pursuant to this Plan or the Option Plan; and
- (f) the Committee shall not grant any Awards that may be denominated or settled in Shares to residents of the United States unless such Awards and the Shares issuable upon exercise thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

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

4.4 Hold Period.

All Awards and any Shares issued upon the exercise of Awards may be subject to and legended with a four month hold period commencing on the date the Awards were granted pursuant to the policies of the Exchange and applicable securities laws. Any Shares issued on the exercise of Awards may be subject to resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares. Additionally, all Awards and any Shares issued upon the exercise of Awards may be subject to additional restrictions and legends may be applicable in accordance with applicable laws or the policies of the Exchange.

4.5 Awards Granted to Corporations.

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

4.6 Award Agreements.

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

4.7 Non-Transferability of Awards.

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

4.8 Adjustments in Authorized Shares.

In the event of any corporate event or transaction (collectively, a “**Corporate Reorganization**”) (including, but not limited to, an alteration to the share capitalization of the Company, and subject to Exchange approval, if applicable), such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spinoff or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Grant Price applicable to outstanding Awards, the limit on issuing Awards other than SARs with a Grant Price equal to at least the FMV of a Share on the Grant Date, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants’ rights under the Plan that otherwise would result from such corporate event or transaction. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

Subject to the provisions of Article 11 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

Article 5 ELIGIBILITY AND PARTICIPATION

5.1 Eligibility.

Awards under the Plan shall be granted only to *bona fide* Employees, Non-Employee Directors and Consultants. By his, her or its participation in the Plan, for so long as the Shares are listed and posted for trading on the TSXV, each of the Company and the Participant represents and warrants that the Participant is a *bona fide* Employees, Non-Employee Directors and Consultants eligible to participate in the Plan pursuant to Policy 4.4.

5.2 Actual Participation.

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employees, Non-Employee Directors and Consultants any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employees, Non-Employee Directors and Consultants is entitled to receive a grant of an Award pursuant to the Plan will be determined in the discretion of the Committee.

Article 6 SHARE APPRECIATION RIGHTS

6.1 Grant of SARs.

Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time and upon such terms as shall be determined by the Committee in its discretion.

The Grant Price for each grant of a SAR shall be determined by the Committee and shall be specified in the Award Agreement. The Grant Price may be based on one hundred percent (100%) of the FMV of the Shares on the Grant Date, or set at a premium to the FMV of the Shares on the Grant Date, or be indexed to the FMV of the Shares on the Grant Date, with the index determined by the Committee, in its discretion, provided that the Grant Price may never be less than the FMV of the Shares on the Grant Date.

6.2 Vesting of SARs.

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

6.3 Exercise of SARs.

Subject to the policies of the TSXV for so long as the Shares are listed and posted for trading on the TSXV, SARs may be exercised upon vesting on whatever terms and conditions the Committee, in its sole discretion, imposes.

6.4 Payment of SAR Amount.

Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the FMV of the underlying Shares on the date of exercise over the Grant Price. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value (based on the FMV of the Shares on the date of exercise of the SAR, as defined in the Award Agreement or otherwise defined by the Committee thereafter), in some combination thereof, or in any other form approved by the Committee at its sole discretion. Payment shall be made no earlier than the date of exercise nor later than 2.5 months after the close of the year in which the SAR is exercised. The Committee's determination regarding the form of SAR payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the SAR.

Article 7
RESTRICTED SHARE UNITS

7.1 Grant of RSUs.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant RSUs to Participants in such amounts and upon such terms as the Committee shall determine. All RSUs shall be dealt with by the Committee in accordance with Policy 4.4.

7.2 Vesting of RSUs.

Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement, RSUs shall vest equally over a three year period such that 1/3 of the RSUs granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no RSU granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the RSU was granted.

Notwithstanding the foregoing and any term specified in the Award Agreement, for so long as the Shares are listed and posted for trading on the TSXV, no RSUs may vest before the date that is one year following the Grant Date.

7.3 Payment in Settlement of RSUs.

When and if RSUs become payable, the Participant issued such RSUs shall be entitled to receive payment from the Company in settlement of such RSUs: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of RSUs being settled; (ii) in a number of Shares (issued from treasury) equal to the number of RSUs being settled; (iii) in some combination thereof; or (iv) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the RSUs. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2.5 months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the Grant Date.

Article 8
DEFERRED SHARES UNITS

8.1 Grant of DSUs.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant DSUs to Participants in such amounts and upon such terms as the Committee shall determine. All DSUs shall be dealt with by the Committee in accordance with Policy 4.4.

8.2 Vesting of DSUs.

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

8.3 Payment in Settlement of DSUs.

When and if DSUs become payable, the Participant issued such DSUs shall be entitled to receive payment from the Company in settlement of such DSUs: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price for the DSUs being settled, if any, multiplied by the number of DSUs being settled; (ii) in a number of Shares (issued from treasury) equal to the number of DSUs being settled; (iii) in some combination thereof; or (iv) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the DSUs.

Article 9

PSUs

9.1 Grant of PSUs.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant PSUs to Participants in such amounts and upon such terms as the Committee shall determine.

9.2 Value of PSUs.

Each PSU shall have an initial value equal to the FMV of a Share on the Grant Date. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each PSU that will be paid to the Participant.

9.3 Earning of PSUs.

Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of PSUs shall be entitled to receive payout on the value and number of PSUs, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

9.4 Vesting of PSUs.

Notwithstanding any other term herein and the achievement of any performance criteria in any Performance Period, the Committee shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that, for so long as the Shares are listed and posted for trading on the TSXV, no PSUs may vest before the date that is one year following the Grant Date.

9.5 Form and Timing of Payment of PSUs.

Payment of earned PSUs shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned PSUs in the form of: (i) cash equal to the value of the earned PSUs at the end of the applicable Performance Period determined by multiplying the number of PSUs to be redeemed for cash by the FMV per Share on the settlement date; (ii) a number of Shares issued from treasury equal to the number of earned PSUs at the end of the applicable Performance Period; or (iii) in a combination thereof. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination.

Article 10

ADDITIONAL AWARD TERMS

10.1 Beneficiary.

A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Section 10.1, or both, in favor of another method of determining beneficiaries.

10.2 Dividend Equivalents.

Unless otherwise determined by the Committee and set forth in the particular Award Agreement, an Award of RSUs, PSUs, DSUs and SARs shall include the right for such RSUs, PSUs, DSUs and SARs to be credited with Dividend Equivalents in the form of additional RSUs, PSUs, DSUs and SARs, respectively, as of each dividend

payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs, DSUs and SARs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the FMV at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend Equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs, DSUs and SARs to which they relate, and shall be settled in accordance with Subsections 6.4, 7.3, 8.3 and 9.5 respectively.

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

For avoidance of doubt, all additional RSUs, PSUs, DSUs and SARs credited as dividend equivalents pursuant to the Plan shall be subject to the limits on grant prescribed herein. In the event the issuance of additional RSUs, PSUs, DSUs and SARs credited as dividend equivalents pursuant to the Plan shall otherwise result in a breach of the terms of the Plan, the Committee shall be entitled to make a binding determination with respect to the settlement of such dividend equivalents whether by payment of cash or in any other manner as the Committee may determine, in its sole and binding discretion.

10.3 *Blackout Period.*

If an Award expires during a Blackout Period, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in negative tax consequences, the Award shall expire on the 10th Business Days after the Blackout Period is lifted by the Company; and provided that, (i) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (ii) the automatic extension of an Award will not be permitted where the Participant or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.

10.4 *Withholding Taxes.*

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

Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (i) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan, and (ii) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

10.5 *Recoupment.*

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Company or the relevant subsidiary of the Company, or as set out in the Participant's employment agreement, consulting agreement, Award Agreement or other written agreement, or as otherwise required by law or the policies of the Exchange. The Committee may at any time waive the application of this Section 10.5 to any Participant or category of Participants.

Article 11
RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

11.1 Employment.

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

11.2 Participation.

No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No Person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

11.3 Rights as a Shareholder.

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

Article 12
TERMINATION OF EMPLOYMENT OR SERVICES

12.1 Award Agreement.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise an Award following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that such provisions shall comply with the policies of the Exchange and applicable laws.

12.2 Death, Disability, Retirement and Termination or Resignation of Employment.

Notwithstanding the foregoing, subject to Section 12.3, and the policies of the Exchange and applicable laws, if the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the Company or and Affiliate:
 - (i) all unvested Awards as on the date of death of such Participant shall automatically and immediately vest provided that (1) with respect to any PSUs held by such Participant, the attainment of performance criteria shall be assessed on the basis of actual achievement of the performance criteria up to the date of death of such Participant, if the applicable Performance Period has been completed and the Company can determine if the performance criteria have been attained, failing which the Committee may determine whether such performance criteria has been met in its sole discretion; and

- (ii) all vested Awards (including those that vested pursuant to paragraph (i) above) shall be exercisable by the Participant's estate in accordance with the terms of the Plan and the Award Agreement up to the earlier of: (x) the expiry date of such Award; and (y) the one (1) year anniversary of the date of death of such Participant.
- (b) **Disability:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Awards remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that: (i) any Awards that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards; and (ii) with respect to any PSUs held by such Participant, the attainment of performance criteria shall be assessed on the basis of actual achievement of the performance criteria up to the Termination Date, if the applicable Performance Period has been completed and the Company can determine if the performance criteria have been attained, failing which the Committee may determine whether such performance criteria has been met in its sole discretion.
- (c) **Retirement:** If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Awards, to determine: (i) whether any outstanding Awards shall continue to vest in accordance with their terms; (ii) whether any of such Awards shall be cancelled, with or without payment; and (iii) how long, if at all, such Awards may remain outstanding following the Termination Date; provided, however, that in no event shall such Awards remain outstanding for more than 12 months after the Termination Date, and further provided that with respect to any PSUs held by such Participant, the attainment of performance criteria shall be assessed on the basis of actual achievement of the performance criteria up to the Termination Date, if the applicable Performance Period has been completed and the Company can determine if the performance criteria have been attained, failing which the Committee may determine whether such performance criteria has been met in its sole discretion.
- (d) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all unvested Awards, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards.
- (e) **Termination without Cause or Voluntary Resignation:** If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 12.2(a) to and including 12.2(d), then, unless otherwise determined by the Committee in its sole discretion, as of the Termination Date:
 - (i) all unvested Awards shall automatically and immediately be forfeited for no consideration and the Participant shall not be entitled to any damages or other amounts in respect of such cancelled Awards; and
 - (ii) all vested Awards shall be exercisable by the Participants in accordance with the terms of the Plan and the Award Agreement for a period of 90 days following the Termination Date.

12.3 Discretion to Permit Acceleration.

Notwithstanding the provisions of Section 12.2, the Committee may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, consulting agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant, subject to applicable laws and the policies and approval, if so required, of the Exchange, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Committee.

Article 13
CHANGE OF CONTROL

13.1 *Change of Control and Termination of Employment.*

Subject to Section 13.2, if there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, on the Termination Date, if the Participant is an Employee, officer or a Director and their employment, or officer or Director position is terminated or they resign for Good Reason within 12 months following the Change of Control.

13.2 *Discretion to Board.*

Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, subject to the policies and approval, if so required, of the Exchange, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in paragraphs (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

13.3 *Non-Occurrence of Change of Control.*

In the event that any Awards are conditionally exercised pursuant to Section 13.2 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and/or (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.

13.4 *Agreement with Purchaser in a Change of Control.*

In connection with a Change of Control, subject to the policies and approval, if so required, of the Exchange, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

Article 14
AMENDMENT AND TERMINATION

14.1 *Amendment and Termination.*

The Committee may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the policies of the Exchange, and the receipt any shareholder and/or Exchange approval, if and as required, the Committee may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.

14.2 *Reduction of Grant Price.*

Disinterested shareholder approval as required by the policies of the Exchange shall be obtained for any reduction in the Grant Price if the Participant is an Insider of the Company at the time of the proposed amendment.

Article 15
SUCCESSORS

Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

Article 16
GENERAL PROVISIONS

16.1 *Delivery of Title.*

The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) obtaining any approvals from governmental agencies, regulatory authorities or the Exchange that the Company determines are necessary or advisable; and
- (b) completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

16.2 *Investment Representations.*

The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

16.3 *Uncertificated Shares.*

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis to the extent not prohibited by applicable law or the policies of the Exchange.

16.4 *No Fractional Shares.*

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

16.5 *Other Compensation and Benefit Plans.*

Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements, including the Option Plan. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

16.6 *No Constraint on Corporate Action.*

Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

16.7 *Compliance with Canadian Securities Laws.*

No Participant may settle Awards for Shares unless the issuance of Shares unless the Shares issuable upon settlement of the Awards are issued pursuant to an exemption from the prospectus and registration requirements of Canadian securities laws where applicable.

16.8 *Compliance with U.S. Securities Laws.*

No Participant who is resident in the United States may settle Awards for Shares unless the Shares issuable upon settlement of the Awards are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

Article 17
LEGAL CONSTRUCTION

17.1 Gender and Number.

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

17.2 Severability.

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

17.3 Requirements of Law.

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, policies and regulations (including the policies of the Exchange), and to such approvals by any governmental agencies or securities exchanges and regulatory authorities as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate 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.

17.4 Governing Law.

The Plan and each Award Agreement shall be governed by the laws of the Province of British Columbia excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. All applicable parties (including the Company and the Participant) irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia residing in the City of Vancouver in and of this Plan and each Award Agreement.

17.5 Compliance with Section 409A of the Code.

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of “deferred compensation” within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute “deferred compensation” for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a change of control or the Participant’s disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such change of control, disability or separation from service meet the description or definition of “change in control event,” “disability,” or “separation from service,” as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.
- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Article 17.5 will apply to a Participant who is subject to taxation under the ITA.