



MANAGEMENT INFORMATION CIRCULAR

Containing Information as at April 23, 2021 in Canadian dollars, unless otherwise indicated.

PERSONS MAKING THIS SOLICITATION OF PROXIES

This Management Information Circular (“Circular”) is provided in connection with the solicitation by the management of Nova Royalty Corp. (the “Company”) of proxies (“Proxies”) from registered shareholders and voting instruction forms (“VIFs”) from the beneficial shareholders (collectively, “Shareholders”) of common shares of the Company (“Common Shares”) in respect of the annual general meeting of Shareholders (the “Meeting”) to be held at the time and place and for the purposes set out in the notice of meeting (the “Notice of Meeting”).

Solicitation of Proxies

Although it is expected that the solicitation of Proxies and VIFs will be primarily by mail, Proxies and VIFs may also be solicited personally or by telephone, facsimile or other solicitation services. The costs of the solicitation of Proxies and VIFs will be borne by the Company.

Impact of COVID-19

This year to proactively deal with the unprecedented health impact of the novel coronavirus, also known as COVID-19, to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, and in compliance with current government direction and advice, we will hold a hybrid Meeting, allowing for Shareholder participation in person and via teleconference. Shareholders will have the opportunity to participate at the Meeting via teleconference regardless of their geographic location by calling (toll-free) 1-866-214-9607 (Canada and USA) or +1-647-427-7523 (International). Callers should dial in fifteen to twenty minutes prior to the scheduled time of the Meeting and input conference code 439.159.9895 to join the Meeting. Please refer to the sections below entitled “*Appointment of Proxyholders and Completion and Revocation of Proxies and VIFs*” and “*Voting of Proxies and VIFs*” in the Circular for details on how to vote at the Meeting.

The Company reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak, including changing the Meeting date, time, location and/or means of holding the Meeting. Such changes will be announced by way of press release. Shareholders are advised to monitor the Company’s website at www.novaroyalty.com or the Company’s profile, in Canada, on SEDAR at www.sedar.com where copies of such press releases, if any, will be posted. Shareholders are advised to check the Company’s website regularly for the most current information. The Company does not intend to prepare an amended Circular in the event of changes to the Meeting format. **Shareholders will not be able to vote through the**

teleconference call and we encourage Shareholders to vote their Common Shares prior to the Meeting by any of the means described in the Circular.

Notice-and-Access

The Company has given notice of the Meeting in accordance with the “Notice and Access” procedures of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian securities administrators (“**NI 54-101**”). In accordance with NI 54-101, the Company has sent the Notice of Meeting and the Proxy or VIF, but not this Circular, directly to its registered Shareholders. Instead of mailing this Circular to Shareholders, the Company has posted the Circular on its website pursuant to the “Notice and Access” procedures of NI 54-101. Shareholders may request a paper copy of this Circular be sent to them by contacting the Company as set out under “*Additional Information*” at the end of this Circular.

Pursuant to NI 54-101, arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries, banks, trust companies, trustees and their agents, nominees and other intermediaries (any one of which is herein referred to as an “**Intermediary**” and collectively the “**Intermediaries**”) to forward the Notice of Meeting and a VIF to each of the unregistered (beneficial) owners of the Common Shares held of record by Intermediaries that have consented to allow their addresses to be provided to the Company (“**NOBOs**”). The Company may reimburse the Intermediaries for reasonable fees and disbursements incurred by them in doing so.

The Company does not intend to pay Intermediaries to forward the Notice of Meeting and VIF to those beneficial Shareholders that have refused to allow their address to be provided to the Company (“**OBOs**”). Accordingly, OBOs will not receive the Notice of Meeting and VIF unless their respective Intermediaries assume the cost of forwarding such documents to them.

None of the directors of the Company have informed the Company’s management in writing that they intend to oppose the approval of any of the matters set out in the Notice of Meeting.

REGISTERED SHAREHOLDERS

Only persons registered as Shareholders in the Company’s Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders (“**Proxyholders**”) will be recognized or may make motions or vote at the Meeting.

BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance as many Shareholders do not hold Common Shares in their own name.

If Common Shares are listed in an account statement provided to a Shareholder (a “**Beneficial Shareholder**”) by a broker, those Common Shares, in all likelihood, will **not** be registered in the Shareholder’s name. It is more likely that such Common Shares will be registered under the name of an Intermediary. Common Shares held by Intermediaries on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares for the Beneficial Shareholders. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

As provided for in NI 54-101, the Company has elected to obtain a list of its NOBOs from Intermediaries and deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF instead of a Proxy. A VIF enables a Shareholder to provide

instructions to the registered holder of its Common Shares as to how those shares are to be voted at the Meeting and allows the registered Shareholder of those Common Shares to provide a Proxy voting the Common Shares in accordance with those instructions. VIFs should be completed and returned in accordance with its instructions. As indicated in the VIF, internet voting is also allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of Common Shares to be represented at the Meeting will be provided to the registered Shareholders.

The forms of VIF requesting voting instructions supplied to Beneficial Shareholders are substantially similar to the Proxy provided directly to the registered Shareholders by the Company, however, their purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. A VIF has its own return instructions, which should be carefully followed by Beneficial Shareholders to ensure their Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining voting instructions from OBOs to Broadridge Investor Communications (“**Broadridge**”) in Canada and the United States of America. Broadridge prepares a machine-readable VIF, mails the VIF and other proxy materials for the Meeting to OBOs and asks them to return the VIF to Broadridge. It then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

A Beneficial Shareholder may use their VIF to vote their own Common Shares directly at the Meeting if the Beneficial Shareholder inserts their own name as the name of the person to represent them at the Meeting. The VIF must be returned to Computershare, Broadridge or other Intermediary well in advance of the Meeting to have the Common Shares voted. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

Shareholders with any questions respecting the voting of Common Shares held through a broker or other Intermediary, should contact that broker or other Intermediary for assistance.

UNITED STATES SHAREHOLDERS

This solicitation of Proxies and VIFs involves securities of a company located in Canada and is being effected in accordance with the corporate and securities laws of the province of British Columbia, Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of British Columbia, Canada differ from the disclosure and proxy solicitation requirements under United States securities laws.

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

APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES AND VIFS

Only persons registered as Shareholders in the Company's Central Security Register maintained by its registrar and transfer agent or duly appointed Proxyholders of registered Shareholders will be recognized or may make motions or vote at the Meeting. The persons named (the "**Management Designees**") in the Proxy or VIF have been selected by the board of directors of the Company (the "**Board**") and have agreed to represent, as Proxyholder, the Shareholders appointing them.

A Shareholder has the right to designate a person (who need not be a Shareholder and, for a VIF, can be the appointing Shareholder) other than the Management Designees as their Proxyholder to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Proxy or VIF the name of the person to be designated and by deleting therefrom the names of the Management Designees or, if the Shareholder is a registered Shareholder, by completing another proper form of Proxy and delivering the Proxy or VIF in accordance with its instructions. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as Proxyholder and provide instructions on how their Common Shares are to be voted. The nominee should bring personal identification with them to the Meeting.

A Shareholder may indicate the manner in which the Proxyholders are to vote on behalf of the Shareholder, if a poll is held, by marking an "X" in the appropriate space of the Proxy. **If both spaces are left blank, the Proxy will be voted as recommended by management for any matter requiring a "For" or "Against" vote, and in favour of the matter for any matter requiring a "For" or "Withhold" vote.**

The Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting. As at the date of this Circular, the Company's management is not aware that any amendments or variations are to be presented at the Meeting. If any amendments or variations to such matters should properly come before the Meeting, the Proxies hereby solicited will be voted as recommended by management.

To be valid, the Proxy or VIF must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy or VIF). The completed Proxy or VIF must then be returned in accordance with its instructions. Proxies (but not VIFs, unless the VIF has Computershare's name and address on the top right corner of the first page) and proof of authorization can also be delivered to the Company's transfer agent, Computershare Investor Services Inc. (Attn: Proxy Department), by fax within North America at 1-866-249-7775, outside North America at (+1) 416-263-9524, by mail to 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Canada or by hand delivery to 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, Canada at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Proxies and VIFs received after that time may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject late Proxies.

A Proxy will be revoked by a Shareholder personally attending at the Meeting and voting their Common Shares. A Shareholder may also revoke their Proxy in respect of any matter upon which a vote has not already been held by depositing an instrument in writing (which includes a Proxy bearing a later date) executed by the Shareholder or by their authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney thereof duly

authorized, at the office of the transfer agent at one of Computershare's addresses set out above, the office of the Company (Attn: Kim Casswell) at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8, Canada (or by fax to (+1) 604-688-1157) or the registered office of the Company at DLA Piper (Canada) LLP (Attn: Denis Silva), Suite 2800, 666 Burrard Street, Vancouver, British Columbia V6C 2Z7, Canada (or by fax to (+1) 604-605-3550) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or by depositing the instrument in writing with the Chairman of such Meeting, prior to the commencement of the Meeting or of any adjournment thereof. VIFs may only be revoked in accordance with their specific instructions.

VOTING OF PROXIES AND VIFS

Voting at the Meeting will be by Proxy only by each registered Shareholder and each Proxyholder will be entitled to one vote, unless a poll is required (if the number of Common Shares represented by Proxies and VIFs that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting) or requested, whereupon each registered Shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively.

Each Shareholder may instruct their Proxyholder how to vote their Common Shares by completing the blanks on the Proxy or VIF. All Common Shares represented at the Meeting by properly executed Proxies and VIFs will be voted or withheld from voting when a poll is requested or required and, where a choice with respect to any matter to be acted upon has been specified in the Proxy or VIF, such Common Shares will be voted in accordance with such specification. **In the absence of any such specification on the Proxy or VIF as to voting, the Management Designees, if named as Proxyholder or nominee, will vote in favour of the matters set out therein.**

The Proxy or VIF confers discretionary authority upon the Management Designees, or other person named as Proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting.

To approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a "special resolution" in which case a majority of 66-2/3% of the votes cast will be required.

QUORUM

The Company's Articles provide that a quorum for the transaction of business at any meeting of Shareholders shall be persons present not being less than two in number and holding or representing not less than 5% of the total number of the issued shares of the Company for the time being enjoying voting rights at such meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the opening of a meeting of shareholders, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares, which are the only shares entitled to be voted at the Meeting. As at April 23, 2021 (the "**Record Date**"), the Company had 75,425,074 Common Shares issued and outstanding. Shareholders are entitled to one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Company, no one beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to the Common Shares as at the Record Date, other than:

Name	Number of Common Shares Held ⁽¹⁾	Approximate Percentage of Outstanding Common Shares
Ryan K Beedie	7,914,691	10.49%

(1) Based on information obtained from public filings of Ryan K Beedie made on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca as at April 23, 2021. 7,834,000 Common Shares are held through BIV Holdings Ltd. and 80,691 Common Shares are held through Beedie Investments Ltd.

STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise noted the following information is for the Company's last completed financial year (which ended December 31, 2020) and, since the Company has subsidiaries, is prepared on a consolidated basis.

A. Named Executive Officers

For the purposes of this Circular, a Named Executive Officer ("NEO") means each of the following individuals during the most recently completed financial year:

- (a) the chief executive officer ("CEO") of the Company;
- (b) the chief financial officer ("CFO") of the Company; and
- (c) each of the Company's three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, if their individual total compensation (excluding the value of any pension) was more than \$150,000 for that financial year.

B. Compensation Discussion and Analysis

Philosophy

In determining the compensation to be paid or awarded to its executives, it is the objective of the C&CG Committee (as defined below) to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value.

The Company's executive compensation program consists of a combination of base salary and long-term incentives in the form of participation in the Share Compensation Plan (as defined below). In making its determinations regarding the various elements of executive compensation, the Company will seek to meet the following objectives:

- (a) to attract, retain and motivate talented executives who create and sustain the Company's continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;
- (b) to align the interests of the NEOs with the interests of the Company's shareholders; and
- (c) to incent extraordinary performance from our key employees.

Base Salary

The base salary for each executive is established by the Board, on the recommendation of the C&CG Committee, based upon the position held by such executive, competitive market conditions, such executive's related responsibilities, experience and the NEO's skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

Cash Bonuses

Cash bonuses do not form a normal part of the Company's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long-term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated exploration-stage junior mining companies or any other factors the C&CG Committee may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional circumstances, the quantity of bonus paid may be connected to the shareholder value creation embodied in the pre-agreed milestones. The Company currently has no expectations of paying cash bonuses to its NEO's for the next 12 months. The Company's determination to pay cash bonuses going forward will be evaluated on an on going basis by the C&CG Committee.

Participation in the Share Compensation Plan

Options and RSUs (as defined below) are a key compensation element for the Company. Options and RSUs are an important component of aligning the objectives of the Company's executive officers and consultants with those of its shareholders, while encouraging them to remain associated with the Company. The Company expects to provide significant Option and/or RSU positions to its executive officers and consultants. The number of Options and / or RSUs to be granted will be governed by the importance of the role within the Company, by the competitive environment within which the Company operates, and by the regulatory limits on Option grants and RSU awards that cover organizations such as the Company. When considering an award of Options and/ or RSUs to an executive officer, consideration of the number of Options and / or RSUs previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

Compensation Risks

In making its compensation-related decisions, the C&CG Committee and the Board carefully consider the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by the Company are:

- (a) that the Company will be forced to raise additional funding (causing dilution to shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- (b) that the Company will have insufficient funding to achieve its objectives.

Hedging by Named Executive Officers or Directors

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

C. Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs during the Company's most recently completed financial year. No amounts are shown for 2019 and 2018 as the Company did not become a reporting issuer until August 19, 2020.

NEO Name and Principal Position	Year	Salary (\$)	Share Based Awards (\$) ³	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans	Pension Value (\$)		
Alex Tsukernik CEO and President	2020	183,791.00	190,000.00	Nil	382,227.00	Nil	Nil	65,805.00	821,823.00
Douglas Reed Former CFO ⁽¹⁾	2020	44,200.00	Nil	Nil	N/A	N/A	N/A	N/A	44,200.00
William Tsang CFO ⁽²⁾	2020	8,500.00	Nil	Nil	N/A	N/A	N/A	N/A	8,500.00

- (1) Pursuant to a Management Services Agreement between the Company and Seabord Services Corp. ("**Seabord**"), Mr. Reed's remuneration was paid by Seabord. See "*Management Contracts*" for a description of the material terms of the Management Services Agreement. Mr. Reed resigned as CFO of the Company on November 3, 2020.
- (2) Pursuant to a Management Services Agreement between the Company and Seabord, Mr. Tsang's remuneration was paid by Seabord. See "*Management Contracts*" for a description of the material terms of the Management Services Agreement. Mr. Tsang was appointed as CFO of the Company on November 3, 2020.
- (3) The value of an RSU (as such term is defined below) is the product of the number of Common Shares issuable on the vesting date multiplied by the fair value on the vesting date. These RSUs were granted and vested before the Common Shares commenced trading on the TSX-V on October 5, 2020. On January 3, 2020, the Company granted an aggregate of 900,000 RSUs vested immediately, including 400,000 RSUs granted to Mr. Tsukernik. Value of these RSUs is calculated based on the fair value of these RSUs on the date of grant (\$0.35 per RSU) as determined by the Board. On April 28, 2020, the Company granted an aggregate of 1,800,000 RSUs which shall vest as to 1/2 on May 27, 2021 and 1/2 on April 27, 2022. In these 1,800,000 RSUs, 800,000 RSUs were granted to Mr. Tsukernik, where the vesting of 100,000 RSUs held by Mr. Tsukernik were subsequently accelerated to September 30, 2020. Value of these vested 100,000 RSUs is based on the price of \$0.50 per RSU as determined by the Board. Value of the remaining balance of 700,000 RSUs held by Mr. Tsukernik, which were not vested at the financial year end, is not included in this calculation.

Narrative Discussion

The Company has calculated the “grant date fair value” amounts in the “Option-based Awards” column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each NEO (based on Common Share price less option exercise price) is set forth in the “Value of Unexercised in-the-money Options” column of the “Outstanding Share-Based and Option-Based Awards” table below.

D. Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards to NEOS

The following table sets out, for each NEO, the incentive stock options to purchase Common Shares under the Share Compensation Plan and share-based awards held as of the last financial year (December 31, 2020). The closing price of the Common Shares on the TSX Venture Exchange (“TSXV”) on that date was \$3.73 per share.

Name & Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (vested-unvested) ⁽³⁾	Option exercise price (per share)	Option expiration date (m/d/y)	Value of unexercised ‘in-the-money’ Options ⁽⁴⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽⁵⁾ (\$)	Market or payout value of share-based awards that have vested but have not been paid out (\$)
Alex Tsukernik CEO and President	375,000 - 125,000	\$0.25	03/01/2024	\$1,305,000.00	700,000	\$350,000.00	N/A
Douglas Reed Former CFO ⁽¹⁾	Nil	N/A	N/A	N/A	N/A	N/A	N/A
William Tsang ⁽²⁾ CFO	Nil	N/A	N/A	N/A	N/A	N/A	N/A

(1) Mr. Reed resigned as CFO of the Company on November 3, 2020.

(2) Mr. Tsang was appointed as CFO of the Company on November 3, 2020.

(3) On March 1, 2019, the Company granted an aggregate of 3,150,000 Options (as such term is defined below), including 500,000 Options granted to Mr. Tsukernik. These Options shall vest such that 25% shall vest after 6 months from date of grant, 25% after 12 months from date of grant, 25% after 18 months from date of grant, and the balance (25%) after 24 months from the date of grant.

(4) Options are “in the money” if the market price of the Common Shares is greater than the exercise price of the Options. The value of these Options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end (\$3.73). Options which were not vested at the financial year end are not included in this value.

- (5) The dollar amount is calculated based on the fair value of the unvested RSUs granted on April 28, 2020 (\$0.50 per RSU) as determined by the Board. The RSUs were granted before the Common Shares commenced trading on the TSX-V on October 5, 2020.

The Board's approach to recommending options to be granted is consistent with prevailing practice for companies within the Company's peer group. Grants of options depend on the length of service of the NEOs. There are, therefore, no formulae followed or performance goals or significant conditions which must be met before options will be granted.

Employment and Consulting Agreements

President and CEO

On October 26, 2020, the Company entered into a written agreement with Syntella Partners LLC ("**Syntella**"), a limited liability corporation controlled by Alex Tsukernik, (the "**Tsukernik Agreement**") in connection with Mr. Tsukernik's services as the Company's CEO. The Tsukernik Agreement is for an initial period of 24 months (the "**Initial Period**"), subject to an automatic renewal period of an additional 24 months (together with the Initial Period, the "**Term**") unless terminated by either party as expressly provided in the Tsukernik Agreement.

The Tsukernik Agreement provides for a signing fee of US\$35,000, plus the remuneration of Syntella at the rate of US\$12,500 per month (the "**Monthly Base Salary**") and an additional US\$2,000 per month, up to a maximum of US\$8,000 per month (the "**Monthly Accelerator Fee**"), for every CDN\$1.0 million increase in projected annualized cash flow for that current year to the Company.

The Tsukernik Agreement also provides for the eligibility of Syntella to receive the following annual bonus payments:

- (a) a discretionary bonus of an amount equal to up to 50% of the Monthly Base Salary and up to 50% of the Monthly Accelerator Fee, which have been paid to Syntella during the prior completed financial year, as determined by the C&CG Committee;
- (b) a share price target bonus based on the amount, if any, by which the Share Price (as defined in the Tsukernik Agreement) as of the financial year end exceeds the Share Price of the previous financial year end, subject to a maximum payment of US\$80,000;
- (c) a transaction minimum fee of US\$50,000 if during the fiscal year the Company completes either: (i) four (4) or more royalty acquisitions with total consideration of each transaction being a minimum of USD \$1,000,000; or (ii) less than four (4) royalty acquisitions provided that the total consideration of all such transactions is a minimum of USD \$15,000,000; and
- (d) following completion of the Company's 2020 financial year, a copper equivalent target bonus on the amount, if any, by which the Copper Equivalent Tonnes (as defined in the Tsukernik Agreement) as of the Company's most recently ended financial year end exceeds the Copper Equivalent Tonnes as of the Company's previous financial year end, subject to a maximum payment of US\$80,000.

If the Tsukernik Agreement is terminated without just cause prior to the end of the Term, then Syntella will be entitled to a payment equal to all fees and remunerations due under the Tsukernik Agreement but not yet paid to Syntella as of the day of the termination notice plus an additional lump sum amount equal to the total fees and other remunerations earned by Syntella for the previous financial year.

In the event of a termination of the Tsukernik Agreement within three months following a change of control, Syntella will be entitled to a payment equal to all fees and remunerations due under the Tsukernik Agreement but not yet paid to Syntella as of the termination plus an additional lump sum amount equal to the total fees and other remunerations earned for the previous fiscal year multiple by two. Pursuant to the provisions of the Tsukernik Agreement, a change of control is defined as: (i) the acquisition, beneficially, directly or indirectly, by any person or group of persons acting jointly or in concert, within the meaning of Multilateral Instrument 62-104 *Takeover Bids and Issuer Bids* (British Columbia), or any successor instrument thereto, of Common Shares which, when added to all other Common Shares at the time held directly or indirectly by such person or persons acting jointly or in concert, totals for the first time more than 50% of the outstanding Common Shares; (ii) the consummation, directly or indirectly, of a sale of all or substantially all of the assets of the Company; or (iii) the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as to (i) to (ii).

See “*Termination and Change of Control Payments*” table below.

The Company has not entered into any other employment or consulting contracts with its other NEOs.

Termination and Change of Control Payments

The estimated amounts payable under various termination scenarios (assuming each such event took place on December 31, 2020) are outlined in the table below:

Name and Principal Position	Termination without Cause (\$)	Change of Control with Termination (\$)
Alex Tsukernik President, CEO & Director	631,823.00	1,263,646.00

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

The following table sets out the option-based and share-based awards that vested in, and non-equity awards that were earned by, the NEOs during the last financial year.

Name & Position	Value vested during the year		Value earned during the year - Non-equity incentive plan compensation (\$)
	Option-based awards ⁽³⁾ (\$)	Share-based awards ⁽⁴⁾ (\$)	
Alex Tsukernik CEO and President	47,500.00	190,000.00	Nil
Douglas Reed ⁽¹⁾ Former CFO	Nil	Nil	Nil
William Tsang ⁽²⁾ CFO	Nil	Nil	Nil

(1) Mr. Reed resigned as CFO of the Company on November 3, 2020.

(2) Mr. Tsang was appointed as CFO of the Company on November 3, 2020.

- (3) The value of an option-based award is the product of the number of Common Shares issuable on the exercise of the Options on the vesting date multiplied by grant date fair value of \$0.19 calculated using the Black-Scholes option pricing model, which is described above. The Options were granted and vested before the Common Shares commenced trading on the TSX-V on October 5, 2020. See the table under “*Outstanding Share-Based and Option-Based Awards to NEOS*” for the “in-the-money” value of these Options on December 31, 2020.
- (4) The value of the RSUs is the product of the number of Common Shares issuable on the vesting date multiplied by the fair value of Common Shares on the vesting date. The RSUs were granted and vested before the Common Shares commenced trading on the TSX-V on October 5, 2020. See the table under “*Summary Compensation Table*” for value of these vested RSUs on December 31, 2020.

Option-based Awards Exercised During the Year

No option-based awards were exercised by the NEOs during the most recently completed financial year.

E. Pension Plan Benefits

The Company does not have a pension plan, defined benefits plan, defined contribution plan or deferred compensation plan.

F. Termination and Change of Control Benefits

Other than described above under “*Employment and Consulting Agreements*”, the Company has not provided or agreed to provide any compensation to any NEOs as a result of a change of control of the Company, its subsidiaries or affiliates.

G. Director Compensation

The following table describes director compensation for non-executive directors for the last financial year.

Name	Fees earned (\$)	Share-based awards⁽⁵⁾ (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Brett Heath ⁽¹⁾	Nil	46,666.55	Nil	Nil	Nil	Nil	46,666.55
Parviz Farsangi ⁽²⁾	Nil	242,500.00	Nil	Nil	Nil	Nil	242,500.00
Robert Leckie ⁽³⁾	Nil	125,500.00	Nil	Nil	Nil	Nil	125,500.00
E.B. Tucker ⁽⁴⁾	Nil	23,333.45	Nil	Nil	Nil	Nil	23,333.45
Denis Silva	Nil	125,500.00	Nil	Nil	Nil	Nil	125,500.00

- (1) Mr. Heath was appointed a director of the Company on September 30, 2020.
- (2) Mr. Farsangi resigned as a director of the Company on September 30, 2020.
- (3) Mr. Leckie resigned as a director of the Company on December 31, 2020.
- (4) Mr. Tucker was appointed a director of the Company on November 3, 2020.
- (5) The value of RSUs is the product of the number of Common Shares issuable on the vesting date multiplied by the fair value on the vesting date. These RSUs were granted and vested before the Common Shares commenced trading on the TSX-V on October 5, 2020.

On January 3, 2020, the Company granted an aggregate of 900,000 RSUs vested immediately, including 133,333 RSUs granted to Mr. Heath, 50,000 RSUs granted to Mr. Farsangi, 30,000 RSUs granted to Mr. Leckie, 66,667 RSUs granted to E.B. Tucker and 30,000 RSUs granted to Mr. Silva. Value of these RSUs is calculated based on the fair value of these RSUs on the date of grant (\$0.35 per RSU) as determined by the Board.

On April 28, 2020, the Company granted an aggregate of 1,800,000 RSUs which shall vest as to 1/2 on May 27, 2021 and 1/2 on April 27, 2022. In these 1,800,000 RSUs, 266,667 RSUs were granted to Mr. Heath, 100,000 RSUs were granted to Mr. Farsangi (with the vesting of 50,000 RSUs subsequently accelerated to September 30, 2020), 60,000 RSUs were granted to Mr. Leckie (with the vesting of 30,000 RSUs subsequently accelerated to

September 30, 2020), 133,333 RSUs were granted to E.B. Tucker and 60,000 RSUs were granted to Mr. Silva (with the vesting of 30,000 RSUs subsequently accelerated to September 30, 2020). Value of these vested RSUs is calculated based on the fair value of these RSUs on the date of grant (\$0.50) as determined by the Board. Value of the remaining unvested RSUs held by these individuals is not included in this calculation.

On September 30, 2020, the Company granted 450,000 RSUs vested immediately, including 200,000 RSUs granted to Mr. Farsangi, 100,000 RSUs granted to Mr. Leckie and 100,000 RSUs granted to Mr. Silva. Value of these RSUs is calculated based on the fair value of these RSUs on the date of grant (\$1.00 per RSU) as determined by the Board.

The Company has calculated the “grant date fair value” amounts in the “Option-based Awards” column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each director reported in other columns. The value of the in-the-money options currently held by each director (based on Common Share price less option exercise price) is set forth in the “Value of Unexercised in-the-money Options” column of the “Outstanding Share-Based and Option-Based Awards” table below.

Outstanding Share-Based and Option-based Awards to Directors

The following table sets out, for each director who is not an officer, the stock options to purchase Common Shares under the Share Compensation Plan and share-based awards held as of the last financial year (December 31, 2020). The closing price of the Common Shares on the TSXV on that date was \$3.73 per share.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (vested-unvested) ⁽⁵⁾	Option exercise price (per share)	Option expiration date (m/d/y)	Value of unexercised ‘in-the-money’ options ⁽⁶⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽⁷⁾ (\$)	Market or payout value of share-based awards that have vested but have not been paid out (\$)
Brett Heath ⁽¹⁾	375,000 – 125,000	\$0.25	03/01/2024	\$1,305,000.00	266,667	\$133,333.50	Nil
Parviz Farsangi ⁽²⁾	112,500 – 37,500	\$0.25	03/01/2024	\$391,500.00	50,000	\$25,000.00	Nil
Robert Leckie ⁽³⁾	112,500 – 37,500	\$0.25	03/01/2024	\$391,500.00	30,000	\$15,000.00	Nil
E.B. Tucker ⁽⁴⁾	225,000 – 75,000	\$0.25	03/01/2024	\$783,000.00	133,333	\$66,666.50	Nil
Denis Silva	75,000 – 25,000	\$0.25	03/01/2024	\$261,000.00	30,000	\$15,000.00	Nil

(1) Mr. Heath was appointed a director of the Company on September 30, 2020.

(2) Mr. Farsangi resigned as a director of the Company on September 30, 2020.

(3) Mr. Leckie resigned as a director of the Company on December 31, 2020.

(4) Mr. Tucker was appointed a director of the Company on November 3, 2020.

(5) The Company granted an aggregate of 3,150,000 Options on March 1, 2019, including 500,000 Options granted to Mr. Heath, 150,000 Options granted to Mr. Farsangi, 150,000 Options granted to Mr. Leckie, 300,000 Options granted to Mr. Tucker and 100,000 Options granted to Mr. Silva. These Options shall vest such that 25% shall

vest after 6 months from date of grant, 25% after 12 months from date of grant, 25% after 18 months from date of grant, and the balance (25%) after 24 months from the date of grant.

- (6) Options are “in the money” if the market price of the Common Shares is greater than the exercise price of the Options. The value of such Options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end. Options which were not vested at the financial year end are not included in this value. On January 15, 2021, Mr. Leckie exercised 112,500 Options.
- (7) The dollar amount is calculated based on the fair value of the unvested RSUs granted on April 28, 2020 (\$0.50 per RSU) as determined by the Board. These RSUs were granted before the Common Shares commenced trading on the TSX-V on October 5, 2020.

The Board’s approach to recommending options to be granted is consistent with prevailing practice for companies within the Company’s peer group. Grants of options depend on the length of service of the directors. There are, therefore, no formulae followed or performance goals or significant conditions which must be met before options will be granted.

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

The following table sets forth, for each director who is not an officer, the values of all incentive plan awards which vested or were earned during the Company’s last completed financial year.

Name	Value vested during the year		Value earned during the year - Non-equity incentive plan compensation (\$)
	Option-based awards ⁽⁵⁾ (\$)	Share-based awards ⁽⁶⁾ (\$)	
Brett Heath ⁽¹⁾	\$47,500.00	\$46,666.55	Nil
Parviz Farsangi ⁽²⁾	\$14,250.00	\$242,500.00	Nil
Robert Leckie ⁽³⁾	\$14,250.00	\$125,500.00	Nil
E.B. Tucker ⁽⁴⁾	\$28,500.00	\$23,333.45	Nil
Denis Silva	\$9,500.00	\$125,500.00	Nil

- (1) Mr. Heath was appointed a director of the Company on September 30, 2020.
- (2) Mr. Farsangi resigned as a director of the Company on September 30, 2020.
- (3) Mr. Leckie resigned as a director of the Company on December 31, 2020.
- (4) Mr. Tucker was appointed a director of the Company on November 3, 2020.
- (5) The value of an option-based award is the product of the number of Common Shares issuable on the exercise of the Options on the vesting date multiplied by grant date fair value of \$0.19 calculated using the Black-Scholes option pricing model, which is described above. The Options were granted and vested before the Common Shares commenced trading on the TSX-V on October 5, 2020. See the table under “Outstanding Share-Based and Option-based Awards to Directors” for the “in the money” value of these Options.
- (6) The value of an RSU is the product of the number of Common Shares issuable on the vesting date multiplied by the fair value of the Common Shares on the vesting date. The RSUs were granted and vested before the Common Shares commenced trading on the TSX-V on October 5, 2020. See the table under “Director Compensation” for the value of these vested RSUs.

Option-based Awards Exercised During the Year

No option-based awards were exercised by the directors of the Company during the most recently completed financial year.

Management Contracts

Pursuant to a management service agreement dated October 1, 2020 between the Company and Seabord Services Corp. of Suite 501, 543 Granville Street, Vancouver, British Columbia, the

Company paid \$15,000 per month to Seabord in consideration of Seabord providing office, reception, secretarial, accounting and corporate records services to the Company, including the services of the CFO and Corporate Secretary.

Seabord is a private Company wholly-owned by Michael D. Winn of Laguna Beach, California.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at the end of the Company’s last completed financial year, information regarding outstanding options, warrants and rights (other than those granted *pro rata* to all Shareholders) granted by the Company under its equity compensation plans.

Equity Compensation Plan Information

Plan Category	Number of shares issuable upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans ⁽²⁾
Equity compensation plans <u>approved</u> by shareholders	4,000,000	\$0.34	1,552,558
Equity compensation plans <u>not approved</u> by shareholders	N/A	N/A	N/A
Total	4,000,000	\$0.34	1,552,558

(1) Assuming 2,600,000 outstanding Options at \$0.25 per Option and 1,400,000 outstanding RSUs at \$0.50 per RSU are fully vested.

(2) Excluding the number of Common Shares issuable upon exercise of the outstanding Options and RSUs shown in the second column.

Description of Share Compensation Plan

Background

On January 3, 2020, the Board adopted the amended and restated share compensation plan (the “**Share Compensation Plan**”). The Share Compensation Plan is a fixed plan pursuant to which the number of Common Shares which may be issued pursuant to restricted share units (“**RSUs**”) and stock options (“**Options**”) granted under the Share Compensation Plan, which are comprised of incentive stock options (“**ISOs**”) and non-qualified stock options (“**NSOs**”), is a maximum of 6,952,558 in aggregate or such additional amount as may be approved from time to time by the Shareholders and the Exchange (as defined below). If any Option or RSU subject to the Share Compensation Plan is forfeited, expires, is terminated or is cancelled for any reason whatsoever (other than by reason of exercise of the Options or settlement of the RSUs), then unpurchased Common Shares subject thereto shall again be available for the purposes of the Share Compensation Plan. The Company has implemented an option acceleration program to incentive certain optionees to exercise their vested and unvested Options within two months of being provided notice.

The Share Compensation Plan provides that participants (each, a “**Participant**”), who may include participants who are citizens or residents of the United States (each, a “**US Participant**”), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Company. The value of the deemed issuance price of RSUs will rise and fall in value based on the value of the Common Shares. Unlike the Options, the RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a

right to receive one Common Share following the attainment of any vesting criteria determined at the time of the award. See “*Restricted Share Units - Vesting Provisions*” below. The Options, on the other hand, are rights to acquire Common Shares upon payment of monetary consideration (i.e., the exercise price), subject also to any vesting criteria determined at the time of the grant. See “*Options - Vesting Provisions*” below.

On April 27, 2021, the Board approved the conversion of the Share Compensation Plan from a fixed plan to a “rolling” plan as well as certain other amendments to the Share Compensation Plan necessary to implement the changes set forth in the blackline copy of the Share Compensation Plan attached to this Circular as Schedule “B”. The amended plan provides that the aggregate number of Common Shares reserved for issuance under the plan will represent a maximum of 10% of the number of issued and outstanding Common Shares at any time. This is referred to as a “rolling” plan and, under the rules of the TSXV, the plan must be approved by the Shareholders at each successive annual meeting of the Company. A description of the amended and restated Share Compensation Plan is set out below.

Purpose of the Share Compensation Plan

The stated purpose of the Share Compensation Plan is to advance the interests of the Company and its subsidiaries, and its Shareholders by: (a) ensuring that the interests of Participants are aligned with the success of the Company and its subsidiaries; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

The following people will be eligible to participate in the Share Compensation Plan: any officer or employee of the Company or any officer or employee of any majority-owned subsidiary of the Company and, solely for purposes of the grant of Options, any director of the Company or any director of any majority-owned subsidiary of the Company, and any Consultant (defined under the Share Compensation Plan as an individual (other than an employee or a director of the Company) or a Company that is not a U.S. Person that: (A) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to an offer or sale of securities of the Company in a capital-raising transaction, or services that promote or maintain a market for the Company’s securities; (B) provides the services under a written contract between the Company or the affiliate and the individual or the Company, as the case may be; (C) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and (D) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company).

Administration of the Share Compensation Plan

The Share Compensation Plan will be administered by the Board or such other persons as may be designated by the Board (the “**Administrators**”) based on the recommendation of the C&CG Committee. The Administrators will determine the eligibility of persons to participate in the Share Compensation Plan, when RSUs and Options will be awarded or granted, the number of RSUs and Options to be awarded or granted, the vesting criteria for each award of RSUs and grant of Options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and the requirements of the stock exchange or quotation system where the Common Shares are listed on or through which the Common Shares are listed or quoted (the “**Exchange**”).

Restrictions on the Award of RSUs and Grant of Options

Certain restrictions on awards of RSUs and grants of Options will apply as follows:

- (a) the total number of Common Shares issuable under the Share Compensation Plan or any other share compensation arrangements of the Company cannot exceed 10% of the Common Shares then outstanding, including the RSUs that may be awarded thereunder;
- (b) the total number of Common Shares issuable to any one Participant under the Share Compensation Plan and any other share compensation arrangements of the Company in a 12 month period cannot exceed 5% of the Common Shares then outstanding;
- (c) the total number of Common Shares issuable to insiders under the Share Compensation Plan and any other share compensation arrangements of the Company cannot exceed 10% of the Common Shares then outstanding;
- (d) the total number of Common Shares issuable to any one Consultant under the Share Compensation Plan and any other share compensation arrangements of the Company within any 12 month period cannot exceed 2% of the Common Shares then outstanding; and
- (e) the total number of Common Shares issuable under the Share Compensation Plan and any other share compensation arrangements of the Company within a 12-month period to persons retained to provide Investor Relations Activities (defined in the Share Compensation Plan as “activities”, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, subject to certain exclusions listed therein) shall not, at any time, exceed 2% of the issued and outstanding Common Shares; provided, that Options granted to persons providing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three month period.

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of the Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may in their sole discretion make such changes or adjustments, if any, as the Administrators consider fair or equitable to reflect such change or event including, without limitation, adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

Restricted Share Units

The total number of RSUs that may be awarded shall not exceed 1,875,000 RSUs.

(a) *Mechanics for RSUs*

RSUs awarded to Participants under the Share Compensation Plan will be credited to an account that will be established on their behalf and maintained in accordance with the Share Compensation Plan. After the relevant date of vesting of any RSUs awarded under the Share Compensation Plan, a Participant shall be entitled to receive and the Company shall issue or pay (at its discretion): (a) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's account multiplied by the volume weighted average price of the Common Shares traded on the Exchange for the five (5) consecutive trading days prior to the payout date; (b) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's RSUs in the Participant's account will be, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Company as the holder of the appropriate number of Common Shares; or (c) any combination of thereof.

(b) *Vesting Provisions*

The Share Compensation Plan provides that: (i) at the time of the award of RSUs, the Administrators will determine the vesting criteria applicable to the awarded RSUs; (ii) vesting of RSUs may include criteria such as performance vesting; (iii) each RSU shall be subject to vesting in accordance with the terms set out in an agreement evidencing the award of the RSU attached as Exhibit A to the Share Compensation Plan (or in such form as the Administrators may approve from time to time) (each an "**RSU Agreement**"); and (iv) all vesting and issuances or payments in respect of an RSU shall be completed no later than December 15 of the third calendar year commencing after the award date for such RSU.

It is the current intention that RSUs may be awarded with both time-based vesting provisions as a component of the Company's annual incentive compensation program, and performance-based vesting provisions as a component of the Company's long-term incentive compensation program.

Under the Share Compensation Plan, should the date of vesting of an RSU fall within a blackout period or within nine business days following the expiration of a blackout period, the date of vesting will be automatically extended to the tenth business day after the end of the blackout period, provided that with respect to Restricted Share Units of U.S. Participants, the Payout Date will not be delayed beyond March 15th of the year following the year in which the Restricted Share Units are no longer subject to a substantial risk of forfeiture for purposes of section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), unless settlement/payout by such date would violate applicable law, or unless payment at a later date would be permitted under Treasury Regulation 1.409A-1(b)(4)(ii).

(c) *Termination, Retirement and Other Cessation of Employment in connection with RSUs*

A person participating in the Share Compensation Plan will cease to be eligible to participate in the following circumstances: (i) receipt of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause); (ii) retirement; and (iii) any cessation of employment or service for any reason whatsoever, including disability and death (an "**Event of Termination**"). In such circumstances, any vested RSUs will be issued (and with respect to each RSU of a US Participant, such RSU will be settled and shares issued as soon as practicable following the date of vesting of such RSU as set forth in the applicable RSU Agreement, but in all cases within 60 days following such date of vesting; and unless otherwise determined by the Administrators in their discretion, any unvested RSUs will be automatically forfeited and cancelled (and with respect to any RSU of a US Participant, if the Administrators determine, in their discretion, to waive vesting conditions applicable to an RSU that is unvested at the time of an Event of Termination, such RSU shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting date of such

Restricted Share Unit as set forth in the applicable RSU Agreement). Notwithstanding the above, if a person retires in accordance with the Company's retirement policy at such time, the *pro-rata* portion of any unvested RSUs that remain subject to performance-based vesting conditions will not be forfeited or cancelled and instead shall be eligible to become vested in accordance with the vesting conditions set forth in the applicable RSU Agreement after such retirement, notwithstanding that the Participant is no longer employed by the Company or an Affiliate on such date, but only if the performance vesting criteria, if any, have been met on the applicable date, and such date will be the Vesting Date. For greater certainty, if a person is terminated for just cause, all unvested RSUs will be forfeited and cancelled.

Options

The number of Common Shares that will be available for issuance upon the vesting of RSUs awarded and Options (comprising of the ISOs and the NSOs) granted under the Share Compensation Plan will be limited to 10% of the issued and outstanding Common Shares at the time of any grant, as reduced by the number of Common Shares that may be issued pursuant to Options or RSUs outstanding under the Share Compensation Plan.

(a) Mechanics for Options

Each Option granted pursuant to the Share Compensation Plan will entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Share Compensation Plan will be exercisable for Common Shares issued from treasury once the vesting criteria established by the Administrators at the time of the grant have been satisfied, which criteria shall, among others include for U.S. Participants, whether the Option is an ISO or a NSO. However, the Company will continue to retain the flexibility through the amendment provisions in the Share Compensation Plan to satisfy its obligation to issue Common Shares by making a lump sum cash payment of equivalent value (i.e., pursuant to a cashless exercise), provided there is a full deduction of the number of underlying Common Shares from the Share Compensation Plan's reserve.

The aggregate number of Common Shares available for ISOs is 1,500,000, subject to adjustments and other requirements under the Share Compensation Plan. Each Option Agreement with respect to an Option granted to a U.S. Participant shall specify whether the related Option is an ISO or a NSO. If no such specification is made in the Option Agreement or in the resolutions of the Administrator under which the Option was granted, the related Option will be a NSO.

In addition to the other terms and conditions of the Share Compensation Plan, the following limitations and requirements will apply to an ISO:

- (i) An ISO may be granted only to an employee of the Company, or an employee of a subsidiary of the Company within the meaning of Section 424(f) of the Code;
- (ii) The aggregate Fair Market Value of the Common Shares (determined as of the applicable Grant Date) with respect to which ISOs are exercisable for the first time by any U.S. Participant during any calendar year will not exceed one hundred thousand United States dollars (US\$100,000) or any other limitation subsequently set forth in Section 422(d) of the Code. To the extent that an Option that is designated as an ISO becomes exercisable for the first time during any calendar year for Common Shares having a Fair Market Value greater than US\$100,000, the portion that exceeds such amount will be treated as a NSO;

- (iii) The exercise price per Common Share payable upon exercise of an ISO will be not less than one hundred percent (100%) of the Fair Market Value of a Common Share on the applicable Grant Date; provided, however, that the exercise price per Share payable upon exercise of an ISO granted to a U.S. Participant who is a 10% shareholder (within the meaning of Code Sections 422 and 424) on the applicable Grant Date will be not less than one hundred ten percent (110%) of the Fair Market Value of a Common Share on the applicable Grant Date;
- (iv) No ISO may be granted more than ten (10) years after the earlier of (i) the date on which the Share Compensation Plan is adopted by the Board or (ii) the date on which this Plan is approved by the shareholders of the Company;
- (v) An ISO will terminate and no longer be exercisable no later than ten (10) years after the applicable Grant Date; provided, however, that an ISO granted to a U.S. Participant who is a 10% shareholder (within the meaning of Code Sections 422 and 424) on the applicable Grant Date will terminate and no longer be exercisable no later than five (5) years after the applicable Grant Date;
- (vi) An ISO shall be exercisable in accordance with its terms under the Share Compensation Plan and the applicable Option Agreement and related exhibits and appendices thereto. However, in order to retain its treatment as an ISO for United States federal income tax purposes, the ISO must be exercised within the following time periods:
 - (1) For ISO treatment, if a U.S. Participant who has been granted an ISO ceases to be an employee due to the Disability of such U.S. Participant (within the meaning of Code Section 22(e)), such ISO must be exercised by the date that is one year following the date of such Disability;
 - (2) For ISO treatment, if a U.S. Participant who has been granted an ISO ceases to be an employee for any reason other than the death or Disability of such U.S. Participant, such ISO must be exercised by such U.S. Participant within three months following the date of termination; and
 - (3) For purposes of this Section 5.10(c)(vi), the employment of a U.S. Participant who has been granted and ISO will not be considered interrupted or terminated upon
 - a) sick leave, military leave or any other leave of absence approved by the Board that does not exceed ninety (90) days in the aggregate; provided, however, that if reemployment upon the expiration of any such leave is guaranteed by contract or applicable law, such ninety (90) day limitation will not apply, or
 - b) a transfer from one office of the Company to another office of the Company or a transfer between the Company and any Subsidiary;
- (vii) An ISO granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant;
- (viii) An ISO granted to a U.S. Participant may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by such U.S. Participant, except by will or by the laws of descent and distribution;

- (ix) In the event the Share Compensation Plan is not approved by the shareholders of the Company in accordance with the requirements of Section 422 of the Code within twelve (12) months of the date of adoption of the Share Compensation Plan, Options otherwise designated as ISOs will be NSOs; (x) The Company shall have no liability to a U.S. Participant or any other party if any Option (or any part thereof) intended to be an ISO is not an ISO.

(b) Vesting Provisions

The Share Compensation Plan provides that the Administrators may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The Option Agreement will disclose any vesting conditions prescribed by the Administrators.

(c) Termination, Retirement and Other Cessation of Employment in connection with Options

A person participating in the Share Compensation Plan will cease to be eligible to participate where there is an Event of Termination. In such circumstances, unless otherwise determined by the Administrators in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the termination of the Option; and (ii) two months after the date of the Event of Termination. If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

(d) Other Terms

The Administrators will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the Discounted Market Price on the date of grant and provided further that, with respect to Options awarded to U.S. Participants, the exercise price shall not be less than the closing price of Common Shares on the Exchange on the Grant Date, or if Common Shares are not listed on a stock exchange, the fair market value as determined by the Administrator in accordance with the valuation principles under Section 409A of the Code (in either case, the "**Fair Market Value**"). Notwithstanding the foregoing, the Administrator may designate an exercise price less than the Fair Market Value on the Grant Date if the Option is (i) granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Company or an Affiliate, or (ii) otherwise structured to be exempt from, or to comply with, Section 409A of the Code in the case of Options awarded to U.S. Participants. "**Discounted Market Price**" is defined in the Share Compensation Plan as the Market Price of the Common Shares, less a discount of up to 25% if the Market Price is \$0.50 or less; up to 20% if the Market Price is between \$2.00 and \$0.51; and up to 15% if the Market Price is greater than \$2.00; and "**Market Price**" is defined in the Share Compensation Plan as "as of any date, the closing price of the Common Shares on the Exchange for the last market trading day prior to the date of grant of the Option or if the Common Shares are not listed on a stock exchange or quotation system, the Market Price shall be determined in good faith by the Administrators".

No Option shall be exercisable after ten years from the date the Option is granted. Under the Share Compensation Plan, should the term of an Option expire on a date that falls within a blackout period or within nine business days following the expiration of a blackout period, such expiration date will be automatically, unless as otherwise provided in the Share Compensation Plan, extended to the tenth business day after the end of the blackout period.

Unless otherwise determined by the Board, in the event of a Change of Control, any surviving or acquiring Company shall assume any Option outstanding under the Share Compensation Plan

on substantially the same economic terms and conditions or substitute or replace similar options for those Options outstanding under the Share Compensation Plan on substantially the same economic terms and conditions.

Transferability

RSUs awarded and Options granted under the Share Compensation Plan or any rights of a Participant cannot be transferred, assigned, charged, pledged or hypothecated, or otherwise alienated, whether by operation of law or otherwise.

Reorganization and Change of Control Adjustments

In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company's equity securities without the receipt of consideration by the Company, of or on the Common Shares, the Administrators shall proportionately adjust the number of securities purchasable and the exercise price thereof under each outstanding Option, and the number of securities allocated under each outstanding RSU. In the event of any other declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may make such changes or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

Amendment Provisions in the Share Compensation Plan

The Board may amend the Share Compensation Plan or any RSU or Option at any time without the consent of any Participant provided that such amendment shall:

- (a) not adversely alter or impair any RSU previously awarded or any Option previously granted, except as permitted by the adjustment provisions of the Share Compensation Plan and with respect to RSUs and Options of US Participants;
- (b) be subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (c) be subject to shareholder approval, where required, by the requirements of the Exchange, provided that shareholder approval shall not be required for the following amendments:
 - (i) amendments of a "housekeeping nature", including any amendment to the Share Compensation Plan or a RSU or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority, stock exchange or quotation system and any amendment to the Share Compensation Plan or an RSU or Option to correct or rectify any ambiguity,

- defective provision, error or omission therein, including any amendment to any definitions therein;
- (ii) amendments that are necessary or desirable for RSUs or Options to qualify for favourable treatment under any applicable tax law;
 - (iii) amendments to the vesting provisions of any RSU or any Option (including any alteration, extension or acceleration thereof), providing such amendments do not adversely alter or impair such RSU or Option;
 - (iv) amendments to the termination provisions of any Option (e.g., relating to termination of employment, resignation, retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of a blackout period) providing such amendments do not adversely alter or impair such Option;
 - (v) amendments to the Share Compensation Plan that would permit the Company to retain a broker and make payments for the benefit of Participants to such broker who would purchase Common Shares for such persons, instead of issuing Common Shares from treasury upon the vesting of the RSUs;
 - (vi) amendments to the Share Compensation Plan that would permit the Company to make lump sum cash payments to Participants, instead of issuing Common Shares from treasury upon the vesting of the RSUs;
 - (vii) the amendment of the cashless exercise feature set out in the Share Compensation Plan; and
 - (viii) change the application of the Change of Control provisions in section 6.2 or the Reorganization Adjustments provisions in section 6.3).

For greater certainty, shareholder approval will be required in circumstances where an amendment to the Share Compensation Plan would:

- (a) increase the fixed maximum percentage of issued and outstanding Common Shares issuable under the Share Compensation Plan, other than by virtue of the adjustment provisions in the Share Compensation Plan, or change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
- (b) increase the limits referred to above under “Restrictions on the Award of RSUs and Grant of Options”;
- (c) reduce the exercise price of any Option (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower exercise price to the same person);
- (d) extend the term of any Option beyond the original term (except if such period is being extend by virtue of a blackout period); or
- (e) amend the amendment provisions in Section 6.4 of the Share Compensation Plan.

Notwithstanding any other provision of the Share Compensation Plan, unless otherwise exempted from the provisions of the California securities laws, all Options and RSUs granted or proposed to

be granted under the Share Compensation Plan to, or held by, residents of the State of California are subject to the certain additional provisions as described in the Share Compensation Plan.

Repricing of Options

The Company did not make any downward repricing of Options.

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

The Company has formed a Compensation and Corporate Governance Committee (the “**C&CG Committee**”) comprised of Denis Silva, E.B. Tucker and Brett Heath.

Each member of the C&CG Committee has business and other experience which is relevant to their position as a member of the C&CG Committee. By virtue of their differing professional backgrounds, business experience, knowledge of the Company’s industry, knowledge of corporate governance practices and, where appropriate, service on compensation committees and / or corporate governance committees of other reporting issuers and experience interacting with external consultants and advisors, the members of the C&CG Committee are able to make decisions on the suitability of the Company’s compensation policies and practices. See “*Directors and Executive Officers – Director and Executive Officer Biographies*” for a description of each C&CG Committee members experience and education.

The charter of the C&CG Committee provides that it is responsible for, among other things, the following matters:

- discharge the Board’s responsibilities relating to compensation of the Company’s executive officers. Among other things, the C&CG Committee will establish and administer the Company’s policies, programs and procedures for compensating and providing incentives to its executive officers;
- identify individuals qualified to become Board members;
- recommend qualified candidates to fill Board vacancies and newly created director positions;
- recommend whether incumbent directors should be nominated for re-election to the Board upon expiration of their terms; and
- advise the Board of the appropriate corporate governance procedures that should be followed by the Company and the Board and monitor whether they comply with such procedures.

While the Board is ultimately responsible for determining all forms of compensation to be awarded to the CEO, other executive officers and directors, the C&CG Committee will when appropriate review the Company’s compensation philosophy, policies, plans and guidelines and recommend any changes to the Board. See “*Executive Compensation*” for a discussion of, among other things, the process by which the C&CG Committee in collaboration with the Board determines the compensation of the Company’s directors and officers.

STATEMENT ON CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day

management of the Company. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at meetings held as required.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. The Board is responsible for:

- (a) adopting a strategic plan for the Company and reviewing the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;
- (b) ensuring that the risk management of the Company is prudently addressed;
- (c) reviewing the Company's approach to human resource management and overseeing succession planning for management;
- (d) reviewing the Company's approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board, director independence standards and compliance with the Company's Code of Business Conduct and Ethics; and
- (e) upholding a comprehensive policy for communications with shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of the Company. The Board intends to meet at least quarterly and at each meeting there is a review of the business of the Company.

The Board of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

Composition of the Board

The Board is composed of five directors, three of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with the Company, as defined in NI 58-101. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company. Of the directors, three are considered independent for the purposes of NI 58-101. Alex Tsukernik, as President and CEO of the Company, is not considered independent for the purposes of NI 58-101. Denis Silva is not considered independent for the purposes of NI 58-101 by virtue of being a partner at DLA Piper (Canada) LLP, legal counsel to the Company.

Orientation and Education

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs. The Board reviews the Company's initial orientation program and continuing director development programs. The Company provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

Ethical Business Conduct

The Company has adopted a written Code of Business Conduct and Ethics, which emphasizes the importance of matters relating to honest and ethical conduct, conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, compliance with applicable laws, rules and regulations and the reporting of any illegal or unethical behaviour. The Code of Business Conduct and Ethics was filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

Nomination of Directors

In consultation with the Chair of the Board, the C&CG Committee identifies and recommends to the Board potential nominees for election or re-election to the Board as well as individual directors to serve as members and chairs of each committee. See "*Compensation And Corporate Governance Committee*".

Compensation

Compensation matters are currently determined by the Board upon the recommendation of the C&CG Committee. See "*Compensation And Corporate Governance Committee*".

Other Board Committees

In addition to the Audit Committee and the C&CG Committee the Board established an ATM Committee. The functions and members of the ATM Committee is described below.

ATM Committee

The ATM Committee was established by the Board in connection with the "at-the-market offering" (the "**ATM Offering**") being made by way of prospectus supplement filed on February 26, 2021 to the Company's amended and restated final short form base shelf prospectus filed February 19, 2021 amending the short form base shelf prospectus filed on October 30, 2020 and pursuant to an equity distribution agreement dated February 26, 2021 (the "**Distribution Agreement**") among the Company and BMO Nesbitt Burns Inc. and PI Financial Corp (the "**Agents**").

The ATM Committee is responsible for (i) overseeing and administering the ATM Offering; (ii) authorizing the issuance of Common Shares, if any, through the Agents pursuant to the ATM Offering within certain parameters established by the Board; and (iii) providing weekly and monthly reports to the Board regarding the status of the ATM Offering and any Common Shares sold thereunder. The ATM Committee consists of one director (E.B. Tucker).

Assessments

The C&CG Committee is responsible for establishing criteria for, and annually implementing, an evaluation process for the Board, the Chairman of the Board, each committee of the Board, and individual directors in order to assess the effectiveness of the Board as a whole, the Chair of the Board, each committee and the contribution of individual directors. The Board reviews and assesses the adequacy of its mandate on, at a minimum, an annual basis to ensure compliance with any rules or regulations promulgated by any regulatory body.

Descriptions of Roles

The Board has not established written descriptions of the positions of CEO or chair of any of the committees of the Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary at this stage in the Company's growth and would not improve the function and performance of the Board, CEO or committee. The role of chair is delineated by the nature of the overall responsibilities of the Board or the committee.

The Board has not currently set limits on the objectives to be met by the CEO but believes that such limits and objectives should depend upon the circumstances of each situation and that to formalize these matters would be restrictive and unproductive.

Directorships

Some of the directors are presently a director of one or more other reporting issuers (public companies), as follows:

Director	Other Issuers	Director	Other Issuers
Brett Heath	Metalla Royalty & Streaming Ltd. (TSXV: MTA) (NYSE American: MTA)	Alex Tsukernik	-
E.B. Tucker	Metalla Royalty & Streaming Ltd. (TSXV: MTA) (NYSE American: MTA)	Denis Silva	Draganfly Inc. (CSE: DFLY)
Andrew Greville	Tulla Resources Plc (ASX:TUL) Aeon Metals Limited (ASX:AML) Rimfire Pacific Mining NL (ASX:RIM)		

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) of the Canadian securities administrators requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

Overview

The Audit Committee of the Board is principally responsible for:

- recommending to the Board the external auditor to be nominated for election by the Shareholders at each annual general meeting and negotiating the compensation of such external auditor;

- overseeing the work of the external auditor, including the resolution of disagreements between the auditor and management regarding the Company’s financial reporting;
- pre-approving all non-audit services to be provided to the Company, by the auditor;
- reviewing the Company’s annual and interim financial statements, management’s discussion and analysis (“**MD&A**”), press releases and continuous disclosure documents regarding earnings and financial information before they are reviewed and approved by the Board and publicly disseminated by the Company.
- reviewing the Company’s financial reporting procedures and internal controls to ensure adequate procedures are in place for the Company’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Company’s auditor reports directly to the Audit Committee.

The Audit Committee’s Charter

The Board has adopted a charter for the Audit Committee (the “**Charter**”) which sets out the Committee’s mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule “A” to this Circular.

Composition of the Audit Committee

The Company’s governing corporate legislation requires the Company to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Company.

The following table sets out the names of the members of the Audit Committee and whether they are ‘independent’ and ‘financially literate’.

Name of Member	Independent¹	Financially Literate²
E.B Tucker (Committee Chairman)	Yes	Yes
Brett Heath	Yes	Yes
Alex Tsukernik	No	Yes

- (1) To be considered to be independent for the purposes of NI 52-110, a member of the Audit Committee must not have any direct or indirect ‘material relationship’ with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate for the purposes of NI 52-110, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;

2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting, are as follows:

Name of Member	Education	Experience
E.B. Tucker	Bachelor of Science, Business Administration with a focus in Finance College of Charleston Charleston, South Carolina USA	Mr. Tucker is a former editor and senior analyst of several widely followed financial newsletters including Doug Casey's Casey Report, The Bill Bonner Letter and Stansberry's Investment Advisory. He has two decades of capital markets experience and was a founding partner of KSIR Capital Management, an asset management firm focused on precious metal equities as well as KSIR Capital, a corporate finance advisory firm.
Brett Heath	Studied Economics, San Diego State University and Austrian Economic Theory, Johannes Kepler Universität Linz	Mr. Heath has a comprehensive career in the structured finance, corporate finance, and investment management industry. Currently he is the CEO of Metalla Royalty & Streaming Ltd. where in 5 years completed 24 acquisitions, deploying over \$150 million, to acquire of 68 royalties and streams. He was previously the Chairman and CEO of High Stream, a specialty streaming and royalty consulting company that was acquired by Metalla in September 2016. Prior to that, he was a founding principal of KSIR Capital Management a hedge fund focused on small and micro-cap mining companies. He also advised several mining companies with KSIR Capital, the corporate finance division of KSIR.
Alex Tsukernik	B.A. in Mathematics and Economics Cornell University M.B.A. with Beta Gamma Sigma Honors Columbia Business School CFA Charter	Mr. Tsukernik has over 15 years of experience in metals and mining finance as an executive, investor, and corporate adviser. Before Nova Royalty Corp., he spent more than 7 years as an independent principal of his own merchant banking/advisory firm, Syntella Partners, where he focused on creating value-added investment opportunities in the mining space. Prior to becoming an independent principal, he co-founded the Metals and Mining investment banking group at Rodman & Renshaw, where he was Director and Head of Metals and Mining, and involved with over \$2bn of completed mergers, acquisitions and capital raising transactions. Before that, he was a founding professional and Vice President of Miller Mathis, a merger and acquisition advisory firm focused on the steel industry. He began his career in the investment banking group at J.P. Morgan.

Complaints

The Audit Committee has established a “Whistleblower Policy” which outlines procedures for the confidential, anonymous submission by employees regarding the Company’s accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Audit Committee only*”. Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Company will be forwarded promptly and unopened to the Chairman of the Audit Committee.

The applicable individual may also email their concern directly to the Corporate Secretary of the Company at Whistleblower@novaroyalty.com.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint. Such documentation and reports will be available for inspection by members of the Audit Committee, the external auditors and any external legal counsel of the Company and other advisors to the Board or Company hired in connection with any whistle-blowing investigation. Disclosure of such documentation to the any other person and in particular any third party, will require the prior approval of the Chair of the Audit Committee to ensure that privilege of such documentation is properly maintained.

The Audit Committee did not receive any complaints during the last completed financial year.

The “Whistleblower Policy” will be reviewed by the Audit Committee on an annual basis.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding

De Minimis Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Company, are not recognized as non-audit services at the time

of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), or

2. an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B "*Powers and Responsibilities – Performance & Completion by Auditor of its Work*" of the Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

Financial Year Ending	Auditor	Audit Fees ⁽¹⁾ (C\$)	Audit Related Fees ⁽²⁾ (C\$)	Tax Fees ⁽³⁾ (C\$)	All Other Fees ⁽⁴⁾ (C\$)
2020	Davidson & Company LLP	25,000	50,000	Nil	Nil
2019	Davidson & Company LLP	12,750	Nil	Nil	Nil

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and which are not included under the heading "*Audit Fees*".

(3) Fees billed for preparation of Company's corporate tax return.

(4) The aggregate fees billed for products and services other than as set out under the headings "*Audit Fees*", "*Audit Related Fees*" and "*Tax Fees*".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or who at any time during the last completed financial year was, a director or executive officer of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Other than disclosed in this Circular, the Company is not aware of any material interest of any executive officer, director or nominee for director, or anyone who has held office as such since the beginning of the Company's last financial year, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the approval and ratification of the Company's Share Compensation Plan, as detailed in the section below entitled "*Particulars of Matters to be Acted Upon*".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and the Company's MD&A for the last financial year (see the section below entitled "*Additional Information*"), there are no material interests, direct or indirect, of current directors, executive officers, any persons nominated for election as directors, or any Shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board the only matters to be brought before the Meeting are those matters set forth in the Company's Notice of Meeting.

1. Report of Directors

The Board will provide a report on the events of its last financial year at the meeting. No approval or other action needs to be taken at the Meeting in respect of this report.

2. Financial Statements, Audit Report and Management's Discussion & Analysis

The Board has approved the financial statements of the Company, the auditor's report thereon, and the MD&A for the year ended December 31, 2020, all of which will be tabled at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

3. Set Number of Directors to be Elected

The Company currently has five (5) directors. At the Meeting, it will be proposed that six (6) directors be elected to hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution setting the number of directors to be elected at six (6).**

4. Election of Directors

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years (unless shown in a previous management information circular), the period during which the nominee has served as a director, and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

The Board recommends that Shareholders vote in favour of the following proposed nominees. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote for the election of the persons named in the following table to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of Shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the constating documents of the Company or the provisions of the corporate law to which the Company is subject.

Name and Province or State & Country of Residence	Present Office and Date First Appointed a Director	Principal Occupation ⁴ During the Past Five Years	Number of Common Shares ⁵
Brett Heath ⁽¹⁾⁽²⁾ Commonwealth of Puerto Rico	Director since September 30, 2020	President and Chief Executive Officer of Metalla Royalty & Streaming Ltd. since Sept 2016.	3,703,333
Alex Tsukernik ⁽¹⁾ New York, USA	President, CEO and Director since July 20, 2018	President & CEO of the Company; Founder and CEO of Syntella Partners.	1,400,000
E. B. Tucker ⁽¹⁾⁽²⁾⁽³⁾ Florida, United States	Director since November 3, 2020	Former editor and senior analyst of several widely followed financial newsletters including Doug Casey's Casey Report, The Bill Bonner Letter and Stansberry's Investment Advisory; founding partner of KSIR Capital Management, an asset management firm focused on precious metal equities as well as KSIR Capital, a corporate finance advisory firm.	1,730,667
Denis Silva ⁽²⁾ British Columbia, Canada	Director since July 20, 2018	Currently partner at DLA Piper (Canada) LLP; previously partner at Gowling WLG (2015-2020).	776,800
Andrew Greville Brisbane, Australia	Director Since January 1, 2021	Since 2014, Mr. Greville has been the principal of his own consulting firm, West End Mining & Consulting.	Nil
Luke Leslie Republic of Mauritius	Proposed director	Currently Chief Financial Officer and Head of M&A at Shanta Gold Limited, an East African gold producer; Non-Executive Director at Shanta Gold Limited (2012-2017); Adviser at Origo Advisers Limited (2015-2018); Non-Executive Director at Moly Word (2012-2017); Non-Executive Director at Kincora Copper (2011-2018); formerly a member of UBS Investment Bank's Corporate Finance team in London.	Nil

(1) Denotes member of the Audit Committee. Mr. Tucker serves as Chairman of the Audit Committee.

(2) Denotes member of the C&CG Committee. Mr. Silva serves as Chairman of the C&CG Committee.

(3) Member of the ATM Committee.

(4) Includes occupations for preceding five years unless the director was elected at the previous Annual General Meeting and was shown as a nominee for election as a director in the management information circular for that meeting.

(5) The information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the Record Date not being within the knowledge of the Company, has been furnished by the respective directors individually. No director, together with the director's associates and affiliates beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares.

To the best of the Company's knowledge, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any Company (including the Company) that was 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 that was issued
 - (i) while the proposed director was acting as a director, chief executive officer or chief financial officer of that Company, or

- (ii) after the proposed director ceased to be a director, chief executive officer or chief financial officer of that Company but resulted from an event that occurred while acting in such capacity;
- (b) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any Company (including the Company) that, while acting in that capacity, or within a year of 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 the assets of the proposed director;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets;
- (d) has entered into, at any time, a settlement agreement with a securities regulatory authority; or
- (e) has been subject, at any time, to any penalties or sanctions imposed by:
 - (i) a court relating to securities legislation or a securities regulatory authority, or
 - (ii) a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed director.

5. Appointment and Remuneration of Auditor

The firm of Davidson & Company LLP, Chartered Professional Accountants, 1200-609 Granville Street, Vancouver, British Columbia V7Y 1G6., is the auditor of the Company. Davidson was first appointed as auditor on August 16, 2017.

The Board recommends that Shareholders vote in favour of the re-appointment of the proposed auditor. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the appointment of Davidson & Company LLP as the auditor of the Company for the ensuing year at a remuneration to be approved by the Board.

6. Ratification of Share Compensation Plan

The Share Compensation Plan is described in more detail in this Circular under the section above entitled "*Securities Authorized for Issuance Under Equity Compensation Plans – Description of Share Compensation Plan*".

At the Meeting, Shareholders will be asked to consider and approve an ordinary resolution to approve and ratify the Company's Share Compensation Plan.

Following ratification of the Share Compensation Plan by the Shareholders, any Options or RSUs granted pursuant to the Share Compensation Plan will not require further Shareholder or TSXV approval unless the exercise price is reduced or the expiry date is extended for an Option held by an insider of the Company.

The Board recommends that Shareholders vote in favour of the proposed resolution. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Share Compensation Plan.

7. Amendment to Share Compensation Plan

The Company is proposing to amend and restate the Share Compensation Plan from a fixed plan to a “rolling” plan as described in more detail in this Circular under the section above entitled “*Securities Authorized for Issuance Under Equity Compensation Plans – Description of Share Compensation Plan*” and to set the total number of RSUs available for award under the Share Compensation Plan to 1,875,000 RSUs.

A blackline copy of the Share Compensation Plan illustrating the proposed amendments is also attached to this Circular as Schedule “B”.

As of the Record Date, a total of 1,805,000 RSUs are awarded and unvested under the Share Compensation Plan. If the Shareholders approve the increase in the total number of RSUs available for award under the Share Compensation Plan to 1,875,000 RSUs, there will be an additional 570,000 RSUs available for award under the amended Share Compensation Plan.

At the Meeting, Shareholders will be asked to consider and approve (i) an ordinary resolution of Shareholders to amend and restate the Share Compensation Plan from a fixed plan to a “rolling” plan and (ii) an ordinary resolution of disinterested Shareholders to set the total number of RSUs available for award under the Share Compensation Plan to 1,875,000 RSUs (such approval being required under the rules and regulations of the TSXV).

The amendment to the Share Compensation Plan is subject to the approval of Shareholders and disinterested Shareholders of the Company. If the Shareholders do not approve the amendment to the Share Compensation Plan, the existing Share Compensation Plan and the maximum number of RSUs available for award under the Share Compensation Plan will remain in place.

The Share Compensation Plan is described in more detail in this Circular under the section above entitled “*Securities Authorized for Issuance under Equity Compensation Plans – Description of Share Compensation Plan*”.

The text of the ordinary resolution to be considered at the Meeting is as follows:

“RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Share Compensation Plan of the Company, as described in the management information circular dated April 23, 2021 and the grant of restricted share units and stock options thereunder in accordance therewith, is hereby ratified, confirmed and approved and shall continue and remain in effect until further ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements;
2. the number of Common Shares reserved for issuance under the Share Compensation Plan shall be no more than 10% of the Company’s issued and outstanding share capital at the time of any restricted share unit and stock option grant;
3. the issuance of up to 1,875,000 Common Shares issuable upon the redemption of restricted share units under the Share Compensation Plan is hereby authorized and approved;

4. the Company is hereby authorized and directed to issue such Common Shares pursuant to the Share Compensation Plan as fully paid and non-assessable Common Shares of the Company;
5. the board of directors of the Company be authorized to make any changes to the Share Compensation Plan, as may be required or permitted by the TSX Venture Exchange; and
6. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolutions.”

The Board recommends that Shareholders and disinterested Shareholders vote in favour of the proposed resolution. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Share Compensation Plan.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website located at www.sedar.com. The Company’s financial information is provided in the Company’s financial statements and related MD&A for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders may also contact the Company at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8, Canada by mail, telecopier (1-604-688-1157), telephone (1-604-696-4241) or e-mail (kcasswell@seabordservices.com) to request copies of the Company’s financial statements and MD&A.

Financial information for the Company’s most recently completed financial year is provided in its financial statements and MD&A which are filed on SEDAR.

DATED this 23rd day of April, 2021.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) KIM C. CASSWELL
Secretary

SCHEDULE "A"

CHARTER FOR THE AUDIT COMMITTEE OF NOVA ROYALTY CORP.

1.0 PURPOSE

1.1 The Audit Committee (the "**Committee**") is a standing committee of the board of directors (the "**Board**") of Nova Royalty Corp. (the "**Company**") charged with assisting the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- (b) review and appraise the performance of the Company's external auditors; and
- (c) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

2.0 COMMITTEE MEMBERSHIP

2.1 The Board shall annually elect a minimum of three (3) directors to the Committee, a majority of whom shall be financially literate, independent of management and free from any material relationship with the Company, that in the opinion of the Board, would interfere with the director's exercise of independent judgment as a member of the Committee. Unless a chair of the Committee ("**Chair**") is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

2.2 If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**")), then all of the members of the Committee shall be independent (as that term is defined in NI 52-110).

2.3 If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all members of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter of the Audit Committee (the "**Charter**"), the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

3.0 MEETINGS

- 3.1** The Committee shall meet a least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors.
- 3.2** A quorum for the transaction of business at any meeting of the Committee shall be two (2) members.

4.0 RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

4.1 Documents/Reports Review

- (a) review this Charter annually and recommend any changes to the Board; and
- (b) review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information, and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

4.2 External Auditors

- (a) annually review the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) annually obtain a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard No. 1 – *Independence Discussions with Audit Committees*;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditors;
- (g) at least once per year, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto;
- (k) review and pre-approve any non-audit services provided by the Company's external auditors, subject to the following:
 - (i) the pre-approval requirement shall be satisfied with respect to the provision of non-audit services if the following criteria (as set forth in Section 2.4 of NI 52-110) are met:
 - (A) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company (and its subsidiary entities) to its external auditors during the fiscal year in which the non-audit services are provided;
 - (B) such services were not recognized by the Company (or the subsidiary entity) at the time of the engagement to be non-audit services;
 - (C) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee (with such delegation being in compliance with Section 2.5 of NI 52-110); and
 - (ii) the Committee may delegate to the Chair or any other independent member of the Committee the authority to pre-approve non-audit services, provided such pre-approved non-audit services are presented to the Committee at the next scheduled Committee meeting following such pre-approval.

4.3 Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (j) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4.4 Internal Control

- (a) consider the effectiveness of the Company's internal control system;
- (b) understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;
- (c) review external auditors' management letters and management's responses to such letters;
- (d) as requested by the Board, discuss with management and the external auditors the Company's major risk exposures (whether financial, operational or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures;
- (e) annually review the Company's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures; and
- (f) discuss with the Chief Financial Officer and, as is in the Committee's opinion appropriate, the President and Chief Executive Officer, all elements of the certification required pursuant to National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

4.5 Other

- (a) review any related-party transactions;

- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee; and
- (d) communicate directly with the internal and external auditors.

SCHEDULE “B”
NOVA ROYALTY CORP.

AMENDED AND RESTATED SHARE COMPENSATION PLAN

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** For purposes of the Plan, unless the context requires otherwise, the following words and terms shall have the following meanings:

- (a) “**1933 Act**” means the United States Securities Act of 1933, as amended;
- (b) “**Account**” has the meaning attributed to that term in section 4.9;
- (c) “**Administrators**” means the Board or such other persons as may be designated by the Board from time to time;
- (d) “**Affiliate**” has the meaning attributed to that term in the *Securities Act* (British Columbia)
- (e) “**Associate**” has the meaning attributed to that term in the *Securities Act* (British Columbia);
- (f) “**Award Date**” means the date or dates on which an award of Restricted Share Units is made to a Participant in accordance with section 4.1;
- (g) “**Blackout Period**” means the period during which designated directors, officers and employees of the Corporation cannot trade the Common Shares pursuant to the Corporation’s policy respecting restrictions on directors’, officers’ and employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an insider, that insider is subject);
- (h) “**Board**” means the board of directors of the Corporation from time to time;
- (i) “**Business Day**” means each day other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia, Canada;
- (j) “**Change of Control**” means:
 - (i) the acceptance of an Offer by a sufficient number of holders of voting shares in the capital of the Corporation to constitute the offeror, together with persons acting jointly or in concert with the offeror, a shareholder of the Corporation being entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Corporation (provided that prior to the Offer, the offeror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding

voting shares in the capital of the Corporation),

- (ii) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting shares of the consolidated, merged or amalgamated corporation or any parent entity, or
 - (iii) the completion of a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other entity and the voting shareholders of the Corporation immediately prior to that sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale;
- (k) **"Code"** means the U.S. Internal Revenue Code of 1986, as amended;
- (l) **"Common Shares"** means the common shares of the Corporation;
- (m) **"Consultant"** means an individual (other than an employee or a director of the Corporation) that:
- (A) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to a majority-owned Subsidiary of the Corporation;
 - (B) such services are not provided in relation to an offer or sale of securities of the Corporation in a capital-raising transaction, and do not promote or maintain a market for the Corporation's securities; without limiting the foregoing, consultants providing Investor Relations ~~Services~~ Activities are not Consultants or Eligible Persons under the Plan;
 - (C) provides the services under a written contract between the Corporation or the Affiliate and the individual or the company, as the case may be;
 - (D) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
 - (E) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (n) **"Corporation"** means Nova Royalty Corp., a corporation existing under the *Business Corporations Act* (British Columbia) and the successors thereof;
- (o) **"Discounted Market Price"** means the Market Price of the Common Shares, less a discount of up to 25% if the Market Price is \$0.50 or less; up to 20% if the Market Price is between \$2.00 and \$0.51; and up to 15% if the Market Price is greater

than \$2.00;

- (p) **“Effective Date”** means ~~January 3rd, 2020~~^[●], ~~2020~~²⁰²¹;
- (q) **“Eligible Person”** means:
 - (i) any officer or employee of the Corporation and/or any officer or employee of any majority-owned Subsidiary of the Corporation and any director of the Corporation and/or any director of any majority-owned Subsidiary of the Corporation; and
 - (ii) a Consultant;
- (r) **“Event of Termination”** means an event whereby a Participant ceases to be an Eligible Person and shall be deemed to have occurred by the giving of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause), retirement, or any cessation of employment or service for any reason whatsoever, including disability or death;
- (s) **“Exchange”** means any stock exchange or quotation system in Canada where the Common Shares are listed on or through which the Common Shares are listed or quoted;
- (t) **“Grant Date”** means the date on which a grant of Options is made to a Participant in accordance with section 5.1;
- (u) **“Incentive Stock Option”** or **“ISO”** means a stock option that is designated, in the applicable Option Agreement or the resolutions of the Administrator under which the Option is granted, as an “incentive stock option” with the meaning of Section 422 of the Code and otherwise meets the requirements to be an “incentive stock option” set forth in Section 422 of the Code.
- (v) **“insider”** has the meaning attributed to that term in the *Securities Act* (British Columbia);
- (w) **“Insider Participant”** means a Participant who is (i) an insider of the Corporation or any of its Subsidiaries, and (ii) an associate of any person who is an insider by virtue of (i);
- (x) **“Investor Relations Activities”** means any activities, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (A) to promote the sale of products or services of the Corporation, or
 - (B) to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of

securities of the Corporation;

- (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws;
 - (B) the by-laws, rules or other regulatory instruments of the Exchange or any other self-regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.
- (y) **“Market Price”** means, as of any date, the closing price of the Common Shares on the Exchange for the last market trading day prior to the date of grant of the Option or if the Common Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Administrators;
- (z) **“Market Value”** means, on any date, the volume weighted average price of the Common Shares traded on the Exchange for the five (5) consecutive trading days prior to such date;
- (aa) **“Non-qualified Stock Option”** or **“NSO”** means an Option that is not an Incentive Stock Option.
- (bb) **“Offer”** means a bona fide arm’s length offer made to all holders of voting shares in the capital of the Corporation to purchase, directly or indirectly, voting shares in the capital of the Corporation;
- (cc) **“Option”** means an option granted to an Eligible Person under the Plan to purchase Common Shares, and for greater certainty it includes Non-qualified Stock Options and Incentive Stock Options;
- (dd) **“Option Agreement”** has the meaning ascribed to that term in section 3.2;
- (ee) **“Participant”** means an Eligible Person selected by the Administrators to participate in the Plan in accordance with section 3.1 hereof;
- (ff) **“Payout Date”** means the day on which the Corporation pays to a Participant the

Market Value of the Restricted Share Units that have become vested and payable;

- (gg) **“Plan”** means this amended and restated share compensation plan, as amended, replaced or restated from time to time;
 - (hh) **“reserved for issuance”** refers to Common Shares that may be issued in the future upon the vesting of Restricted Share Units which have been awarded and upon the exercise of Options which have been granted;
 - (ii) **“Restricted Share Unit”** means a right granted in accordance with section 4.1 hereof to receive one Common Share that becomes vested in accordance with section 4.4;
 - (jj) **“Restricted Share Unit Agreement”** has the meaning ascribed to that term in section 3.2;
 - (kk) **“Restricted Share Unit Deferral Agreement”** has the meaning ascribed to that term in section 4.6;
 - (ll) **“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to directors, officers and employees of the Corporation and any of its Subsidiaries or to Consultants;
 - (mm) **“Subsidiary”** has the meaning ascribed thereto in the *Securities Act* (British Columbia) and **“Subsidiaries”** shall have a corresponding meaning;
 - (nn) **“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
 - (oo) **“U.S. Participant”** means a Participant who is a citizen of the United States or a resident of the United States, as defined in section 7701(a)(30)(A) and section 7701(b)(1) of the Code and any other Participant who is subject to tax under the Code with respect to compensatory awards granted pursuant to the Plan;
 - (pp) **“U.S. Person”** means a “U.S. person”, as such term is defined in Regulation S under the 1933 Act; and
 - (qq) **“Withholding Obligations”** has the meaning ascribed to that term in section 4.7.
- 1.2 **Headings:** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.
- 1.3 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.
- 1.4 **References to this Plan:** The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular

article, section, paragraph or other part hereof.

- 1.5 **Currency:** All references in this Plan or in any agreement entered into under this Plan to “dollars”, “\$” or lawful currency shall be references to Canadian dollars, unless the context otherwise requires.

2. PURPOSE AND ADMINISTRATION OF THE PLAN

- 2.1 **Purpose:** The purpose of the Plan is to advance the interests of the Corporation and its Subsidiaries, and its shareholders by: (i) ensuring that the interests of Eligible Persons are aligned with the success of the Corporation and its Subsidiaries; (ii) encouraging stock ownership by Eligible Persons; and (iii) providing compensation opportunities to attract, retain and motivate Eligible Persons.

2.2 Common Shares Subject to the Plan:

- (a) The total ~~maximum~~ number of Common Shares that may be issued reserved and available for grant and issuance pursuant to this Plan is ~~6,952,558~~ (shall not exceed 10% of the issued and outstanding Common Shares from time to time (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under section 4 and the Options that may be granted under section 5) or such additional amount as may be approved from time to time by the shareholders of the Corporation and the Exchange. If any Option or Restricted Share Unit subject to the Plan is forfeited, expires, is terminated or is cancelled for any reason whatsoever (other than by reason of exercise of the Options or settlement of the Restricted Share Units), then un-purchased shares subject thereto shall again be available for the purpose of the Plan;
- (b) The number of Common Shares issuable under the Plan to any one Participant (including the Restricted Share Units that may be awarded under section 4) in a 12 month period shall not exceed 5% of the issued and outstanding Common Shares from time to time;
- (c) The number of Common Shares issuable under the Plan to Insider Participants (including the Restricted Share Units that may be awarded under section 4) shall not, at any time, exceed 10% of the issued and outstanding Common Shares;
- (d) The number of Options granted to Insider Participants, within a 12 month period, must not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained;
- (e) The number of Common Shares issuable under the Plan to any one Consultant within a 12 month period (including the Restricted Share Units that may be awarded under section 4) shall not, at any time, exceed 2% of the issued and outstanding Common Shares; and
- (f) The number of Common Shares issuable pursuant to the exercise of Options under the Plan within a 12 month period to all Eligible Persons retained to provide Investor Relations Activities shall not, at any time, exceed 2% of the issued and outstanding Common Shares; provided, that Options granted to any and all Eligible

Persons providing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than ¼ of the Options vesting in any three month period.

2.3 **Administration of the Plan:** The Plan shall be administered by the Administrators, through the recommendation of the Compensation Committee of the Board. Subject to any limitations of the Plan, the Administrators shall have the power and authority to:

- (a) adopt rules and regulations for implementing the Plan;
- (b) determine the eligibility of persons to participate in the Plan, when Restricted Share Units and Options to Eligible Persons shall be awarded or granted, the number of Restricted Share Units and Options to be awarded or granted, the vesting criteria for each award of Restricted Share Units and the vesting period for each grant of Options;
- (c) interpret and construe the provisions of the Plan and any agreement or instrument under the Plan;
- (d) subject to regulatory requirements, make exceptions to the Plan in circumstances which they determine to be exceptional;
- (e) require that any Participant provide certain representations, warranties and certifications to the Corporation to satisfy the requirements of applicable laws, including without limitation, exemptions from the registration requirements of the 1933 Act and applicable state securities laws; and
- (f) make all other determinations and take all other actions as they determine to be necessary or desirable to implement, administer and give effect to the Plan.

3. ELIGIBILITY AND PARTICIPATION IN PLAN

3.1 **The Plan and Participation:** The Plan is hereby established for Eligible Persons. Restricted Share Units may be awarded and Options may be granted to any Eligible Person as determined by the Administrators in accordance with the provisions hereof. The Corporation and each Participant acknowledge that they are responsible for ensuring and confirming that such Participant is a bona fide Eligible Person entitled to receive Options or Restricted Share Units, as the case may be.

3.2 **Agreements:** All Restricted Share Units awarded hereunder shall be evidenced by a restricted share unit agreement ("**Restricted Share Unit Agreement**") between the Corporation and the Participant, substantially in the form set out in Exhibit A or in such other form as the Administrators may approve from time to time. All Options granted hereunder shall be evidenced by an option agreement ("**Option Agreement**") between the Corporation and the Participant, substantially in the form as set out in Exhibit B or in such other form as the Administrators may approve from time to time.

4. AWARD OF RESTRICTED SHARE UNITS

4.1 **Award of Restricted Share Units:** Subject to section 2.2, the total ~~maximum~~ number of ~~Common Shares issuable under the Plan pursuant to settlement of~~ Restricted Share Units

that may be awarded [after \[●, 2021\]](#) pursuant to this section shall not exceed 3,476,279 ~~Common Shares~~ [\[●\] Restricted Share Units \(together with those Restricted Share Units issuable pursuant to any other Share Compensation Arrangement\)](#). Restricted Share Units will not be granted to persons providing Investor Relations Activities.

4.2 The Administrators may, at any time and from time to time, award Restricted Share Units to Eligible Persons. Restricted Share Units will not be granted to persons providing Investor Relations Activities. In awarding any Restricted Share Units, the Administrators shall determine:

- (a) to whom Restricted Share Units pursuant to the Plan will be awarded;
- (b) the number of Restricted Share Units to be awarded and credited to each Participant's Account;
- (c) the Award Date; and
- (d) subject to section 4.4 hereof, the applicable vesting criteria.

Upon the award of Restricted Share Units, the number of Restricted Share Units awarded to a Participant shall be credited to the Participant's Account effective as of the Award Date.

4.3 **Restricted Share Unit Agreement:** Upon the award of each Restricted Share Unit to a Participant, a Restricted Share Unit Agreement shall be delivered by the Administrators to the Participant.

4.4 **Vesting:**

- (a) Subject to subsections (c) and (d) below, at the time of the award of Restricted Share Units, the Administrators shall determine in their sole discretion the vesting criteria applicable to such Restricted Share Units.
- (b) For greater certainty, the vesting of Restricted Share Units may be determined by the Administrators to include criteria such as performance vesting, in which the number of Common Shares to be delivered to a Participant for each Restricted Share Unit that vests may fluctuate based upon the Corporation's performance and/or the market price of the Common Shares, in such manner as determined by the Administrators in their sole discretion.
- (c) Each Restricted Share Unit shall be subject to vesting in accordance with the terms set out in the Restricted Share Unit Agreement.
- (d) Notwithstanding anything to the contrary in this Plan, all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit shall be completed no later than December 15 of the third calendar year commencing after the Award Date for such Restricted Share Unit.

4.5 **Blackout Periods:** Should the date of vesting of a Restricted Share Unit fall within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, such date of vesting shall be automatically extended without any further act or formality to

that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the date of vesting for such Restricted Share Unit for all purposes under the Plan, provided that with respect to Restricted Share Units of U.S. Participants, the Payout Date will not be delayed beyond March 15th of the year following the year in which the Restricted Share Units are no longer subject to a substantial risk of forfeiture for purposes of section 409A of the Code, unless settlement/payout by such date would violate applicable law, or unless payment at a later date would be permitted under Treasury Regulation 1.409A-1(b)(4)(ii). Notwithstanding section 6.4 hereof, the ten Business Day period referred to in this section 4.5 may not be extended by the Board.

4.6 **Vesting and Settlement:** As soon as practicable after the relevant date of vesting of any Restricted Share Units awarded under the Plan and with respect to a U.S. Participant, no later than 60 days thereafter, but subject to subsection 4.4(d), a Participant shall be entitled to receive and the Corporation shall issue or pay (at its discretion):

- (a) a lump sum payment in cash equal to the number of vested Restricted Share Units recorded in the Participant's Account multiplied by the Market Value of a Common Share on the Payout Date;
- (b) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's Restricted Share Units (on the basis of one Common Share for each vested Restricted Share Unit) in the Participant's Account, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares; or
- (c) any combination of the foregoing.

Notwithstanding the foregoing, the Administrators may permit a U.S. Participant to defer the payment of shares following the vesting of Restricted Share Units, provided that such deferral is made pursuant to a written deferral election form (the "**Restricted Share Unit Deferral Agreement**") between the Corporation and the U.S. Participant that complies with the requirements of Section 409A of the Code, substantially in the form as set out in Exhibit D or in such other form as the Administrators may approve from time to time.

4.7 **Taxes and Source Deductions:** the Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit in connection with this Plan, any Restricted Share Units or any issuance of Common Shares ("**Withholding Obligations**"). Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit pursuant to the Withholding Obligations from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the vesting of any Restricted Share Units or the issue of any Common Shares; (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant; or (iii) settle a portion of vested Restricted Share Units of a Participant in cash equal to the amount the Corporation is required to remit, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the

account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on vesting of any Restricted Share Units may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment to it in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant.

4.8 **Rights Upon an Event of Termination:**

- (a) If an Event of Termination has occurred in respect of any Participant, any and all Common Shares corresponding to any vested Restricted Share Units in the Participant's Account shall be issued as soon as practicable after the Event of Termination to the former Participant in accordance with section 4.6 hereof. With respect to each Restricted Share Unit of a U.S. Participant, such Restricted Share Unit will be settled and shares issued as soon as practicable following the date of vesting of such Restricted Share Unit as set forth in the applicable Restricted Share Unit Agreement, but in all cases within 60 days following such date of vesting or as otherwise specified in the applicable Restricted Share Unit Deferral Agreement.
- (b) If an Event of Termination has occurred in respect of any Participant, any unvested Restricted Share Units in the Participant's Account shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be forfeited by the Participant and cancelled. With respect to any Restricted Share Unit of a U.S. Participant, if the Administrators determine, in their discretion, to waive vesting conditions applicable to a Restricted Share Unit that is unvested at the time of an Event of Termination, such Restricted Share Unit shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting of such Restricted Share Unit as set forth in the applicable Restricted Share Unit Agreement or as otherwise specified in the applicable Restricted Share Unit Deferral Agreement.
- (c) Notwithstanding the foregoing subsection 4.8(b) and subject to the requirements of the Exchange, if a Participant retires in accordance with the Corporation's retirement policy, at such time, any unvested Restricted Share Units that remain subject to performance-based vesting conditions in the Participant's Account shall not be forfeited by the Participant or cancelled and instead shall be eligible to become vested on the earlier of: (i) twelve (12) months from the date of such termination; or (ii) the last day of the performance period set forth in the applicable Restricted Share Unit Agreement after such retirement, notwithstanding that the Participant is no longer employed by the Corporation or an Affiliate on such date, but only if the performance vesting criteria, if any, are met on the applicable date, and such date will be the Vesting Date.
- (d) For greater certainty, if a Participant's employment is terminated for just cause, each unvested Restricted Share Unit in the Participant's Account shall forthwith and automatically be forfeited by the Participant and cancelled.
- (e) For the purposes of this Plan and all matters relating to the Restricted Share Units, the date of the Event of Termination shall be determined without regard to any

applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

4.9 **Restricted Share Unit Accounts:** A separate notional account for Restricted Share Units shall be maintained for each Participant (an “**Account**”). Each Account will be credited with Restricted Share Units awarded to the Participant from time to time pursuant to section 4.1 hereof by way of a bookkeeping entry in the books of the Corporation. On the vesting of the Restricted Share Units pursuant to section 4.4 hereof and the corresponding issuance of Common Shares to the Participant pursuant to section 4.6 hereof, or on the forfeiture and cancellation of the Restricted Share Units pursuant to section 4.8 hereof, the applicable Restricted Share Units credited to the Participant’s Account will be cancelled.

4.10 **Record Keeping:** the Corporation shall maintain records in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Restricted Share Units credited to each Participant’s Account;
- (c) any and all adjustments made to Restricted Share Units recorded in each Participant’s Account; and
- (d) any other information which the Corporation considers appropriate to record in such records.

5. GRANT OF OPTIONS

5.1 Grant of Options:

Subject to section 2.2, the total ~~maximum~~ number of Common Shares ~~that may be issued~~ reserved and available for grant pursuant to this section on exercise of Options (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement) shall not exceed ~~3,476,279~~ 10% of the number of issued and outstanding Common Shares from time to time.

The Administrators may at any time and from time to time grant Options to Eligible Persons. In granting any Options, the Administrators shall determine:

- (a) to whom Options pursuant to the Plan will be granted;
- (b) the number of Options to be granted, the Grant Date and the exercise price of each Option;
- (c) the expiration date of each Option;
- (d) subject to section 5.3 hereof, the applicable vesting criteria; and
- (e) for Options awarded to U.S. Participants, whether the Option is an Incentive Stock Option or a Non-qualified Stock Option,

provided, however that the exercise price for a Common Share pursuant to any Option shall not be less than the Discounted Market Price on the Grant Date in respect of that Option, and provided further that, with respect to Options awarded to U.S. Participants, the exercise price shall not be less than the closing price of Common Shares on the Exchange on the Grant Date, or if Common Shares are not listed on a stock exchange, the fair market value as determined by the Administrator in accordance with the valuation principles under Section 409A of the Code (in either case, the “**Fair Market Value**”). Notwithstanding the foregoing, the Administrator may designate an exercise price less than the Fair Market Value on the Grant Date if the Option is (i) granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Corporation or an Affiliate, or (ii) otherwise structured to be exempt from, or to comply with, Section 409A of the Code in the case of Options awarded to U.S. Participants.

5.2 **Option Agreement:** Upon each grant of Options to a Participant, an Option Agreement shall be delivered by the Administrators to the Participant.

5.3 **Vesting:**

(a) Subject to subsection 2.2(e) above with respect to grants to Eligible Persons providing Investor Relations Activities, at the time of the grant of any Options, the Administrators shall determine in accordance with minimum vesting requirements of the Exchange, the vesting criteria applicable to such Options.

(b) The Administrators may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The Option Agreement will disclose any vesting conditions prescribed by the Administrators.

5.4 **Term of Option/Blackout Periods:** The term of each Option shall be determined by the Administrators; provided that no Option shall be exercisable after ten years from the Grant Date. Should the term of an Option expire on a date that falls within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, such expiration date shall, except as provided in Section 5.10 and Section 6.15, be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding section 6.4 hereof, the ten Business Day period referred to in this section 5.4 may not be extended by the Board.

5.5 **Exercise of Option:**

Options that have vested in accordance with the provisions of this Plan and the applicable Option Agreement may be exercised at any time, or from time to time, during their term and subject to the provisions of section 5.8 hereof as to any number of whole Common Shares that are then available for purchase thereunder; provided that no partial exercise may be for less than 100 whole Common Shares. Options may be exercised by delivery of a written notice of exercise to the Administrators, substantially in the form attached to this Plan as Exhibit C, with respect to the Options, or by any other form or method of exercise acceptable to the Administrators.

5.6 **Payment and Issuance:**

- (a) Upon actual receipt by the Corporation or its agent of the materials required by subsection 5.5 and receipt by the Corporation of cash, a cheque, bank draft for the aggregate exercise price, the number of Common Shares in respect of which the Options are exercised will be issued as fully paid and non-assessable shares and the Participant exercising the Options shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares. No person or entity shall enjoy any part of the rights or privileges of a holder of Common Shares which are subject to Options until that person or entity becomes the holder of record of those Common Shares. No Common Shares will be issued by the Corporation prior to the receipt of payment by the Corporation for the aggregate exercise price for the Options being exercised.
- (b) Subject to the rules of any stock exchange or market and unless otherwise determined by the Administrators, a Participant may elect a cashless exercise in a notice of exercise in accordance with the following, (i) cashless exercise of Options shall only be available to a Participant who was granted and is exercising such Options outside the United States as a non-U.S. Person in compliance with Regulation S under the 1933 Act at a time when the Common Shares are listed and posted for trading on an Exchange or market in Canada that permits cashless exercise, the Participant intends to immediately sell the Common Shares issuable upon exercise of such Options in Canada and the proceeds of sale will be sufficient to satisfy the exercise price of the Options, and (ii) if an eligible Participant elects to exercise the Options through cashless exercise and complies with any relevant protocols approved by the Administrators, a sufficient number of the Common Shares issued upon exercise of the Options will be sold in Canada by a designated broker on behalf of the Participant to satisfy the exercise price of the Options, the exercise price of the Options will be delivered to the Corporation and the Participant will receive only the remaining unsold Common Shares from the exercise of the Options and the net proceeds of the sale after deducting the exercise price of the Options, applicable taxes and any applicable fees and commissions, all as determined by the Administrators from time to time. The Corporation shall not deliver the Common Shares issuable upon a cashless exercise of Options until receipt of the exercise price therefor, whether by a designated broker selling the Common Shares issuable upon exercise of such Options through a short position or such other method determined by the Administrators in compliance with applicable laws.

- 5.7 **Taxes and Source Deductions:** The Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit pursuant to the Withholding Obligations in connection with this Plan, any Options or any issuance of Common Shares. Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit, pursuant to the Withholding Obligations, from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the exercise of any Options or the issue of any Common Shares; or (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the

appropriate governmental authority for the account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on the exercise of Options may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant.

5.8 Rights Upon an Event of Termination:

- (a) If an Event of Termination has occurred in respect of a Participant, any unvested Options, to the extent not available for exercise as of the date of the Event of Termination, shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be cancelled, terminated and not available for exercise without further consideration or payment to the Participant.
- (b) Except as otherwise stated herein or otherwise determined by the Administrators in their discretion (provided such determination does not exceed a maximum of one year), upon the occurrence of an Event of Termination in respect of a Participant, any vested Options granted to the Participant that are available for exercise may be exercised only before the earlier of:
 - (i) the expiry of the Option; and
 - (ii) two months after the date of the Event of Termination.
- (c) Notwithstanding the foregoing subsections 5.8(a) and (b), if a Participant's employment is terminated for just cause, each Option held by the Participant, whether or not then exercisable, shall forthwith and automatically be cancelled and may not be exercised by the Participant.
- (d) For the purposes of this Plan and all matters relating to the Options, the date of the Event of Termination shall be determined without regard to any applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

5.9 Record Keeping: The Corporation shall maintain an Option register in which shall be recorded:

- (a) the name and address of each holder of Options;
- (b) the number of Common Shares subject to Options granted to each holder of Options;
- (c) the term of the Option and exercise price, including adjustments for each Option granted; and
- (d) any other information which the Corporation considers appropriate to record in such register.

5.10 Incentive Stock Options:

- (a) Maximum Number of Shares for Incentive Stock Options. Notwithstanding any other provision of this Plan to the contrary, the aggregate number of Common Shares available for Incentive Stock Options is 1,500,000, subject to adjustment pursuant to Section 6.3 of this Plan and subject to the provisions of Sections 422 and 424 of the Code.
- (b) Designation of Options. Each Option Agreement with respect to an Option granted to a U.S. Participant shall specify whether the related Option is an Incentive Stock Option or a Nonqualified Stock Option. If no such specification is made in the Option Agreement or in the resolutions of the Administrator under which the Option was granted, the related Option will be a Nonqualified Stock Option.
- (c) Special Requirements for Incentive Stock Options. In addition to the other terms and conditions of this Plan (and notwithstanding any other term or condition of this Plan to the contrary), the following limitations and requirements will apply to an Incentive Stock Option:
 - (i) An Incentive Stock Option may be granted only to an employee of the Corporation, or an employee of a subsidiary of the Corporation within the meaning of Section 424(f) of the Code.
 - (ii) The aggregate Fair Market Value of the Common Shares (determined as of the applicable Grant Date) with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Participant during any calendar year (pursuant to this Plan and all other plans of the Corporation and of any Parent or Subsidiary, as defined in Sections 424(e) and (f) respectively) will not exceed one hundred thousand United States dollars (US\$100,000) or any other limitation subsequently set forth in Section 422(d) of the Code. To the extent that an Option that is designated as an Incentive Stock Option becomes exercisable for the first time during any calendar year for Common Shares having a Fair Market Value greater than US\$100,000, the portion that exceeds such amount will be treated as a Nonqualified Stock Option.
 - (iii) The exercise price per Common Share payable upon exercise of an Incentive Stock Option will be not less than one hundred percent (100%) of the Fair Market Value of a Common Share on the applicable Grant Date; *provided, however,* that the exercise price per Share payable upon exercise of an Incentive Stock Option granted to a U.S. Participant who is a 10% Shareholder (within the meaning of Code Sections 422 and 424) on the applicable Grant Date will be not less than one hundred ten percent (110%) of the Fair Market Value of a Common Share on the applicable Grant Date.
 - (iv) No Incentive Stock Option may be granted more than ten (10) years after the earlier of (i) the date on which this Plan is adopted by the Board or (ii) the date on which this Plan is approved by the shareholders of the Corporation.
 - (v) An Incentive Stock Option will terminate and no longer be exercisable no later than ten (10) years after the applicable Grant Date; *provided, however,* that an Incentive Stock Option granted to a U.S. Participant who is a 10% Shareholder

(within the meaning of Code Sections 422 and 424) on the applicable Grant Date will terminate and no longer be exercisable no later than five (5) years after the applicable Grant Date.

(vi) An Incentive Stock Options shall be exercisable in accordance with its terms under the Plan and the applicable Option Agreement and related exhibits and appendices thereto. However, in order to retain its treatment as an Incentive Stock Option for United States federal income tax purposes, the Incentive Stock Option must be exercised within the following time periods (to the extent it otherwise is exercisable during such period pursuant to its terms):

(1) For Incentive Stock Option treatment, if a U.S. Participant who has been granted an Incentive Stock Option ceases to be an employee due to the Disability of such U.S. Participant (within the meaning of Code Section 22(e)), such Incentive Stock Option must be exercised (to the extent such Incentive Stock Option was exercisable on the date of Disability) by the date that is one year following the date of such Disability (but in no event beyond the term of such Incentive Stock Option).

(2) For Incentive Stock Option treatment, if a U.S. Participant who has been granted an Incentive Stock Option ceases to be an employee for any reason other than the death or Disability of such U.S. Participant, such Incentive Stock Option must be exercised (to the extent such Incentive Stock Option was exercisable on the date of termination) by such U.S. Participant within three months following the date of termination (but in no event beyond the term of such Incentive Stock Option).

(3) For purposes of this Section 5.10(c)(vi), the employment of a U.S. Participant who has been granted an Incentive Stock Option will not be considered interrupted or terminated upon (a) sick leave, military leave or any other leave of absence approved by the Board that does not exceed ninety (90) days in the aggregate; provided, however, that if reemployment upon the expiration of any such leave is guaranteed by contract or applicable law, such ninety (90) day limitation will not apply, or (b) a transfer from one office of the Corporation (or of any Subsidiary) to another office of the Corporation (or of any Subsidiary) or a transfer between the Corporation and any Subsidiary.

(vii) An Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant.

(viii) An Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned, pledged, hypothecated or otherwise disposed of by such U.S. Participant, except by will or by the laws of descent and distribution.

(ix) In the event the Plan is not approved by the shareholders of the Corporation in accordance with the requirements of Section 422 of the Code within twelve (12) months of the date of adoption of the Plan, Options otherwise designated as Incentive Stock Options will be Nonqualified Stock Options.

- (x) The Corporation shall have no liability to a U.S. Participant or any other party if any Option (or any part thereof) intended to be an Incentive Stock Option is not an Incentive Stock Option.

6. GENERAL

6.1 **Effective Date of Plan:** The Plan shall be effective as of the Effective Date.

6.2 **Change of Control:** If there is a Change of Control transaction then, notwithstanding any other provision of this Plan except subsection 4.4(d) which will continue to apply in all circumstances, the Administrators may, in their sole discretion, determine that any or all unvested Restricted Share Units and any or all Options (whether or not currently exercisable) shall vest or become exercisable, as applicable, at such time and in such manner as may be determined by the Administrators in their sole discretion such that Participants under the Plan shall be able to participate in the Change of Control transaction, including, at the election of the holder thereof, by surrendering such Restricted Share Units and Options to the Corporation or a third party or exchanging such Restricted Share Units or Options, for consideration in the form of cash and/or securities, to be determined by the Administrators in their sole discretion, subject to prior Exchange acceptance. Notwithstanding the foregoing, with respect to Options of U.S. Participants, any exchange, substitution or amendment of such Options will occur only to the extent and in a manner that will not result in the imposition of taxes under Section 409A of the Code, and with respect to Restricted Share Units of U.S. Participants, any surrender or other modification of Restricted Share Units will occur only to the extent such surrender or other modification will not result in the imposition of taxes under Section 409A of the Code.

6.3 Reorganization Adjustments:

- (a) In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Corporation's equity securities without the receipt of consideration by the Corporation, of or on the Common Shares, the Administrators shall proportionately adjust the number of securities purchasable and the exercise price thereof under each outstanding Option, and the number of securities allocated under each outstanding Restricted Share Unit. In the event of any other declaration by the Corporation of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Corporation, distribution (other than normal course cash dividends) of company assets to holders of Common Shares, or any other corporate transaction or event involving the Corporation or the Common Shares, the Administrators, in the Administrators' sole discretion, may, subject to any relevant resolutions of the Board, and without liability to any person, make such changes or adjustments, if any, as the Administrators consider fair or equitable, in such manner as the Administrators may determine, to reflect such change or event including, without limitation, adjusting the number of Options and Restricted Share Units outstanding under this Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise

price of Options outstanding under this Plan, provided that the value of any Option or Restricted Share Unit immediately after such an adjustment, as determined by the Administrators, shall not exceed the value of such Option or Restricted Share Unit prior thereto, as determined by the Administrators.

- (b) Notwithstanding the foregoing, with respect to Options and Restricted Share Units of U.S. Participants, such changes or adjustments will be made in a manner so as to not result in the imposition of taxes under Section 409A of the Code and will comply with the requirements in subsection 4.4(d).
- (c) The Corporation shall give notice to each Participant in the manner determined, specified or approved by the Administrators of any change or adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes.
- (d) The Administrators may from time to time adopt rules, regulations, policies, guidelines or conditions with respect to the exercise of the power or authority to make changes or adjustments pursuant to section 6.2 or section 6.3(a). The Administrators, in making any determination with respect to changes or adjustments pursuant to section 6.2 or section 6.3(a) shall be entitled to impose such conditions as the Administrators consider or determine necessary in the circumstances, including conditions with respect to satisfaction or payment of all applicable taxes (including, but not limited to, withholding taxes).

6.4 Amendment or Termination of Plan:

The Board may amend this Plan or any Restricted Share Unit or any Option at any time without the consent of Participants provided that such amendment shall:

- (a) not adversely alter or impair any Restricted Share Unit previously awarded or any Option previously granted except as permitted by the provisions of section 6.3 hereof, and, with respect to Restricted Share Units and Options of U.S. Participants, such amendment will not result in the imposition of taxes under Section 409A;
- (b) be subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (c) be subject to shareholder approval, where required by the requirements of the Exchange, provided that shareholder approval shall not be required for the following amendments:
 - (i) amendments of a “housekeeping nature”, including any amendment to the Plan or a Restricted Share Unit or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or a Restricted Share Unit or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) amendments that are necessary or desirable for Restricted Share Units or

- Options to qualify for favourable treatment under any applicable tax law;
- (iii) a change to the vesting provisions of any Restricted Share Unit or any Option (including any alteration, extension or acceleration thereof);
 - (iv) a change to the termination provisions of any Option or Restricted Share Units (for example, relating to termination of employment, resignation, retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of section 5.4);
 - (v) the introduction of features to the Plan that would permit the Corporation to, instead of issuing Common Shares from treasury upon the vesting of the Restricted Share Units, retain a broker and make payments for the benefit of Participants to such broker who would purchase Common Shares in the open market for such Participants;
 - (vi) the amendment of this Plan as it relates to making lump sum payments to Participants upon the vesting of the Restricted Share Units;
 - (vii) the amendment of the cashless exercise feature set out in this Plan; and
- (d) be subject to disinterested shareholder approval in the event of any reduction in the exercise price of any Option granted under the Plan to an Insider Participant.

For greater certainty and subject to, approval by the TSX Venture Exchange (if applicable), shareholder approval shall be required in circumstances where an amendment to the Plan would:

- (e) change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
- (f) increase the limits in section 2.2;
- (g) reduce the exercise price of any Option (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower exercise price to the same person);
- (h) extend the term of any Option beyond the original term (except if such period is being extended by virtue of section 5.4 hereof); or
- (i) amend this section 6.4.

6.5 **Termination:** The Administrators may terminate this Plan at any time in their absolute discretion. If the Plan is so terminated, no further Restricted Share Units shall be awarded and no further Options shall be granted, but the Restricted Shares Units then outstanding and credited to Participants' Accounts and the Options then outstanding shall continue in full force and effect in accordance with the provisions of this Plan. Any termination of this Plan shall occur in a manner that will not result in the imposition of taxes on a U.S. Participant under Section 409A.

6.6 **Transferability:** A Participant shall not be entitled to transfer, assign, charge, pledge or

hypothecate, or otherwise alienate, whether by operation of law or otherwise, the Participant's Restricted Share Units or Options or any rights the Participant has under the Plan.

- 6.7 **Rights as a Shareholder:** Under no circumstances shall the Restricted Share Units or Options be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares (including, but not limited to, the right to dividend equivalent payments).
- 6.8 **Credits for Dividends:** Unless otherwise determined by the Administrators, whenever cash or other dividends are paid on Common Shares, additional Restricted Share Units will be automatically granted to each Participant who holds Restricted Share Units on the record date for such dividends. The number of such Restricted Share Units (rounded to the nearest whole Restricted Share Units) to be credited to such Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such Participant if the Participant's Restricted Share Units as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares. Restricted Share Units granted to a Participant shall be subject to the same vesting conditions (time and performance (as applicable)) as the Restricted Share Units to which they relate.
- 6.9 **No Effect on Employment, Rights or Benefits:**
- (a) The terms of employment shall not be affected by participation in the Plan.
 - (b) Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue as a director, officer, employee or Consultant nor interfere or be deemed to interfere in any way with any right of the Corporation, the Board or the shareholders of the Corporation to remove any Participant from the Board or of the Corporation or any Subsidiary to terminate any Participant's employment or agreement with a Consultant at any time for any reason whatsoever.
 - (c) Under no circumstances shall any person who is or has at any time been a Participant be able to claim from the Corporation or any Subsidiary any sum or other benefit to compensate for the loss of any rights or benefits under or in connection with this Plan or by reason of participation in this Plan.
- 6.10 **Market Value of Common Shares:** The Corporation makes no representation or warranty as to the future market value of any Common Shares. No Participant shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted to or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the market value of the shares of the Corporation or a corporation related thereto.
- 6.11 **Compliance with Applicable Law:**
- (a) If any provision of the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be

deemed to be amended to the extent necessary to bring such provision into compliance therewith. Notwithstanding the foregoing, the Corporation shall have no obligation to register any securities provided for in this Plan under the 1933 Act.

- (b) The award of Restricted Share Units, the grant of Options and the issuance of Common Shares under this Plan shall be carried out in compliance with applicable statutes and with the regulations of governmental authorities and, if applicable, the Exchange. If the Administrators determine in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the award of a Restricted Share Unit, the grant of an Option or the issue of a Common Share upon the vesting of a Restricted Share Unit or exercise of an Option, as applicable, that Restricted Share Unit may not vest in whole or in part and that Option may not be exercised in whole or in part, as applicable, unless that action shall have been completed in a manner satisfactory to the Administrators. In addition, unless the Restricted Share Units, the Options and the Common Shares issuable pursuant to the Restricted Share Units and Options, as applicable, have been registered under the 1933 Act and any applicable U.S. state securities laws, all rights of a Participant under this Plan shall be subject to and conditioned upon the availability of exemptions or exclusions from the registration requirements of the 1933 Act and any applicable U.S. state securities, as determined by the Corporation in its sole discretion. Any Restricted Share Units or Options granted or issued to a person in the United States or a U.S. Person, as well as the issue of Common Shares pursuant thereto, will result in any certificate representing such securities bearing a United States restrictive legend restricting transfer of such securities under United States federal and state securities laws.
- (c) If the Common Shares are listed on the TSX Venture Exchange and the award of Restricted Share Units or grant of Options and the issuance of Common Shares under this Plan is made to a director, officer, promoter or other insider of the Corporation, and unless the respective award, grant or issuance or is qualified by prospectus, or issued under a securities take-over bid, rights offering, amalgamation, or other statutory procedure, then the Restricted Share Unit Agreement or Option Agreement will bear an Exchange Hold Period, and the following legend will be inserted onto the first page of the Restricted Share Unit Agreement or Option Agreement:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL _____, 20____ [i.e., **four months and one day after the date of grant**].

- 6.12 **Governing Law:** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, and with respect to U.S. Participants, the Code.

- 6.13 **Subject to Approval:** The Plan is adopted subject to the approval of the Exchange ~~(at such time as the Common Shares become listed and posted for trading on the Exchange)~~ and any other required regulatory approval. To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in effect.
- 6.14 **Special Terms and Conditions Applicable to U.S. Participants:** Options issued to U.S. Participants are intended to be exempt from Section 409A of the Code pursuant to Treas. Reg. Section 1.409A-1(b)(5)(i)(A) and the Plan and such Options will be construed and administered accordingly. Options may be issued to U.S. Participants under the Plan only if the shares with respect to the Options qualify as “service recipient stock” as defined in Treas. Reg. Section 1.409A-1(b)(5)(E)(iii). Restricted Share Units awarded to U.S. Participants are intended to be exempt from, or compliant with, Section 409A of the Code and such Restricted Share Units will be construed and administered accordingly. Any waiver or acceleration of vesting under the Plan or any Restricted Share Unit Agreement for a U.S. Participant may occur only to the extent that such acceleration or waiver will not result in the imposition of taxes under Section 409A of the Code. Any payments made under this Plan or any Restricted Share Unit Agreement to a U.S. Participant as a result of a termination of employment that are deemed to be subject to Section 409A of the Code shall occur only if such termination constitutes a “separation from service” as defined in Treas. Reg. 1.409A-1(h). Additionally, any payments resulting from a separation from service made to a U.S. Participant who is a “specified employee” as defined in Treas. Reg. 1.409A-1(i) shall be subject to the six month delay in payments required by Treas. Reg. 1.409A-1(3)(v) if such payments are deemed to be subject to Section 409A of the Code. Although the Corporation intends Options and Restricted Share Units granted to U.S. Participants to be exempt from or compliant with Section 409A, the Corporation makes no representation or guaranty as to the tax treatment of such Options and Restricted Share Units. Each U.S. Participant (and any beneficiary or the estate of the Participant, as applicable) is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with this Plan. Neither the Corporation nor any affiliate, nor any employee or director of the Corporation or an affiliate, shall have any obligation to indemnify or otherwise hold such U.S. Participant, beneficiary or estate harmless from any or all such taxes or penalties.
- 6.15 **Special Terms and Conditions Applicable to California Residents:** Notwithstanding any other provision of this Plan or any agreement hereunder, unless otherwise exempted from the provisions of the California securities laws, all Options and Restricted Share Units granted or proposed to be granted hereunder to, or held by, residents of the State of California shall be subject to the following provisions:
- (a) No Option or Restricted Share Unit shall be granted to a resident of the State of California more than 10 years after the earlier of (i) the date the Board approved the Plan or (ii) the date the Plan is adopted by the Corporation’s shareholders.
 - (b) No Option or Restricted Share Unit held by a resident of the State of California may be exercised or settled more than 10 years after its Grant Date or Award Date, respectively.
 - (c) With respect to Section 5.8(c), cause means cause as defined by applicable law, the terms of the Plan or the grant, or a contract of employment.

EXHIBIT A

THE RESTRICTED SHARE UNITS AND THE UNDERLYING COMMON SHARES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS ARE AVAILABLE. THE TERMS "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATIONS UNDER THE 1933 ACT.

[Insert if required: WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL _____, 20____ [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].

RESTRICTED SHARE UNIT AGREEMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "Restricted Share Grant Date") Nova Royalty Corp. (the "Corporation") has granted to _____ (the "Participant"), _____ Restricted Share Units pursuant to the Corporation's Share Compensation Plan (the "Plan"), a copy of which has been provided to the Participant.

Restricted Share Units are subject to the following terms:

- (e) Pursuant to the Plan and as compensation to the Participant, the Corporation hereby grants to the Participant, as of the Restricted Share Grant Date, the number of Restricted Share Units set forth above.
- (f) The granting and vesting of the Restricted Share Units and the payment by the Corporation of any payout in respect of any Vested Restricted Share Units (as defined below) are subject to the terms and conditions of the Plan, all of which are incorporated into and form an integral part of this Restricted Share Unit Agreement.
- (g) Provided the Participant remains in continuous service with the Corporation or an Affiliate through the applicable dates below, the Restricted Share Units shall become vested restricted share units (the "Vested Restricted Share Units") in accordance with the following schedule:
 - (i) ● on the 6 month anniversary of the Restricted Share Grant Date;
 - (ii) ● on the 12 month anniversary of the Restricted Share Grant Date; **[NTD: If U.S. Participants will be allowed to elect a later settlement/payout date for their RSUs, and they will be given 30 days from Grant to make the election, the vesting date should be 13 months or longer following**

the date of grant, because the election can apply only to RSUs that will not vest until at least 12 months following the date the irrevocable election. See Exhibit D – RSU Deferral Agreement.]

- (iii) ● on the 18 month anniversary of the Restricted Share Grant Date; and
- (iv) ● on the 24 month anniversary of the Restricted Share Grant Date (each a “**Vesting Date**”).

Notwithstanding the foregoing, with respect to Restricted Share Units of U.S. Participants, if the Administrator, in its sole discretion, waives continued service and/or performance vesting conditions such that a Participant’s Restricted Share Units are no longer subject to a substantial risk of forfeiture, the Vesting Date shall be the date on which all vesting conditions are waived or satisfied. Notwithstanding anything to the contrary in the Plan, with respect any Restricted Share Units to which an election under Option 2 of Schedule D (Restricted Share Unit Deferral Agreement) has been made (the “Election”), the Administrator shall not waive forfeiture conditions or accelerate the vesting of any such Restricted Share Units to any date that is earlier than the date that is twelve months following the date the Election was made.

(h) As soon as reasonably practicable and no later than 60 days following the applicable Vesting Date, or, if the Participant is not a U.S. Participant (as defined in the Plan), such later date mutually agreed to by the Corporation and the Participant, the Participant shall be entitled to receive, and the Corporation shall issue or provide, a payout with respect to those Vested Restricted Share Units in the Participant’s Account to which the Vesting Date relates (each a “**Payout Date**”):

- (i) a lump sum payment in cash equal to the number of vested Restricted Share Units recorded in the Participant’s Account multiplied by the Market Value of a Common Share on the Payout Date;
- (ii) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant’s Restricted Share Units in the Participant’s Account, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares; or
- (iii) any combination of the foregoing.

subject to any applicable Withholding Obligations.

(i) The Participant acknowledges that:

- (i) he or she has received and reviewed a copy of the Plan; and
- (ii) the Restricted Share Units have been granted to the Participant under the Plan and are subject to all of the terms and conditions of the Plan to the same effect as if all of such terms and conditions were set forth in this Restricted Share Unit Agreement, including with respect to termination and

forfeiture as set out in section 4.8 of the Plan.

Notwithstanding anything to the contrary in this Restricted Share Unit Agreement all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit evidenced hereby shall be completed no later than December 15 of the third calendar year commencing after the Restricted Share Grant Date;

The grant of the Restricted Share Units evidenced hereby is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Restricted Share Units and the vesting of the Restricted Share Units. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants to the Corporation that (i) under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Restricted Share Units, and (ii) either (A) the Participant is not in the United States or a U.S. Person, nor is the Participant acquiring the Restricted Share Units for the benefit of a person in the United States or a U.S. Person, or (B) an exemption from the registration requirements of the 1933 Act and all applicable state securities laws is available and the Participant has provided evidence satisfactory to the Corporation to such effect. The Corporation may condition awards and elections under the Plan upon receiving from the undersigned such representations and warranties and such evidence of registration or exemption under the 1933 Act and all applicable U.S. state securities laws as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Restricted Share Unit Agreement and the Plan, the terms of the Plan shall prevail unless otherwise determined in the Plan.

NOVA ROYALTY CORP.

Authorized Signatory

Signature of Participant

Name of Participant

EXHIBIT B

THE OPTIONS AND THE OPTIONED SHARES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND ALL APPLICABLE U.S. STATE SECURITIES LAWS ARE AVAILABLE. THE TERMS "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE 1933 ACT.

[INSERT IF REQUIRED: WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL _____, 20____ [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].

OPTION AGREEMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "Effective Date") Nova Royalty Corp. (the "Corporation") has granted to _____ (the "Participant"), Options to acquire _____ Common Shares (the "Optioned Shares") up to 4:30 p.m. Pacific Time on the _____ day of _____, _____ (the "Option Expiry Date") at an exercise price of Cdn\$ _____ per Optioned Share pursuant to the Corporation's Share Compensation Plan (the "Plan"), a copy of which is attached hereto.

For Options awarded to U.S. Participants, the Options granted hereunder: (check **one** line below)

_____ Are Incentive Stock Options

_____ Are Non-qualified Stock Options

Optioned Shares may be acquired as follows:

- (a) [insert vesting provisions, if applicable]; and
- (b) [insert hold period when required].

The grant of the Options evidenced hereby and the Option Expiry Date thereof, is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Optioned Shares. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel. If the Options awarded hereunder are Incentive Stock Options, in order

to obtain certain U.S. federal tax benefits afforded to ISOs under section 422 of the code, the U.S. Participant must hold the Common Shares acquired upon exercise of the ISO until he later of for two years after the Grant Date and one year after the date of exercise. A U.S. Participant may be subject to the alternative minimum tax at the time of exercise of an ISO. A U.S. Participant will give the Corporation prompt notice of any disposition of Common Shares acquired by exercise of an ISO prior to the expiration of such holding periods.

The Participant represents and warrants that (i) under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Options, and (ii) either (A) the Participant is not in the United States or a U.S. Person, nor is the Participant acquiring the Options or any Optioned Shares for the benefit of a person in the United States or a U.S. Person, or (B) an exemption from the registration requirements of the 1933 Act and all applicable state securities laws is available and the Participant has provided evidence satisfactory to the Corporation to such effect. The Participant understands that the Options may not be exercised in the United States or by or on behalf of a U.S. Person unless the Options and the Option Shares have been registered under the 1933 Act or are exempt from registration thereunder. The Corporation may condition the exercise of the Options upon receiving from the Participant such representations and warranties and such evidence of registration or exemption under the 1933 Act and all applicable state securities laws as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Option Agreement and the Plan, the terms of the Plan shall prevail.

NOVA ROYALTY CORP.

Authorized Signatory

Signature of Participant

Name of Participant

EXHIBIT C

NOTICE OF OPTION EXERCISE

TO: Nova Royalty Corp. (the “**Corporation**”)

FROM: _____

DATE: _____

The undersigned hereby irrevocably gives notice, pursuant to the Corporation’s Share Compensation Plan (the “**Plan**”), of the exercise of the Options to acquire and hereby subscribes for:

[check one]

- (a) all of the Optioned Shares; or
- (b) _____ of the Optioned Shares,

which are the subject of the Option Agreement attached hereto.

Calculation of total Exercise Price:

(i) number of Optioned Shares to be acquired on _____ Optioned Shares exercise

(ii) multiplied by the Exercise Price per Optioned Share: \$ _____

TOTAL EXERCISE PRICE, enclosed herewith (unless this is a cashless exercise): \$ _____

- A. The undersigned (i) at the time of exercise of these Options is not in the “United States” or a “U.S. Person” (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended (the “**1933 Act**”) and is not exercising these Options on behalf of a person in the United States or U.S. Person and (ii) did not execute or deliver this Notice of Option Exercise in the United States.
- B. The undersigned has delivered an opinion of counsel of recognized standing or other evidence in form and substance satisfactory to the Corporation to the effect that an exemption from the registration requirements of the 1933 Act, and applicable state securities laws is available for the issuance of the Optioned Shares.

Note: The undersigned understands that unless Box A is checked, the certificates representing the Optioned Shares will bear a legend restricting transfer without registration under the 1933 Act and applicable state securities laws unless an exemption from registration is available.

Note: Certificates representing Optioned Shares will not be registered or delivered to an address in the United States unless Box B above is checked.

Note: If Box B is checked, any opinion or other evidence tendered must be in form and substance satisfactory to the Corporation. Holders planning to deliver an opinion of counsel or other evidence in connection with the exercise of Options should contact the Corporation in advance to determine whether any opinions to be tendered or other evidence will be acceptable to the Corporation.

I hereby:

- (a) unless this is a cashless exercise, enclose a cheque payable to "Nova Royalty Corp." for the aggregate Exercise Price plus the amount of the estimated Withholding Obligations and agree that I will reimburse the Corporation for any amount by which the actual Withholding Obligations exceed the estimated Withholding Obligations; or
- (b) advise the Corporation that I am exercising the above Options on a cashless exercise basis, in compliance with the procedures established from time to time by the Administrators for cashless exercises of Options under the Plan. I will consult with the Corporation to determine what additional documentation, if any, is required in connection with my cashless exercise of the above Options. I agree to comply with the procedures established by the Corporation for cashless exercises and all terms and conditions of the Plan. Please prepare the Optioned Shares certificates, if any, issuable in connection with this exercise in the following name(s):

Signature of Participant

Name of Participant

Letter and consideration/direction received on _____, 20 _____.

NOVA ROYALTY CORP.

By: _____
[Name]
[Title]

EXHIBIT D

RESTRICTED SHARE UNIT DEFERRAL AGREEMENT

TO: NOVA ROYALTY CORP. (the "Corporation")

FROM: _____

DATE: _____

I, the undersigned participant, acknowledge that the Corporation may grant or has granted to me an award of Restricted Share Units under the Nova Royalty Corp. Share Compensation Plan (the "**Plan**") that will vest according to the vesting schedule set out in the Restricted Share Unit Agreement.

I hereby irrevocably elect to defer the payout of vested Restricted Share Units as set forth below (select and complete either Option 1 or Option 2). **By making this election, I understand and agree that my election may not be changed.**

Option 1: Deferral of Restricted Share Units Awarded in Next Calendar Year.

I hereby elect to defer the payout of _____% of any Restricted Share Units awarded to me under the Plan **in the next calendar year** until the date selected below:

- 1 year after each vesting date applicable to such Restricted Share Units.
- 2 years after each vesting date applicable to such Restricted Share Units.
- 3 years after each vesting date applicable to such Restricted Share Units.
- 4 years after each vesting date applicable to such Restricted Share Units.
- 5 years after each vesting date applicable to such Restricted Share Units.

Option 2: Deferral of Restricted Share Units that Vest 12 Months or More After Date of Election.

I was awarded Restricted Share Units pursuant to the Restricted Share Unit Award Agreement dated _____ (**must be no earlier than 29 days prior to the date of this election**). I hereby elect to defer the payout of _____% of the Restricted Share Units awarded to me under the Plan that vest 12 months or more after the date of this election until the date selected below:

- 1 year after each vesting date applicable to such Restricted Share Units.
- 2 years after each vesting date applicable to such Restricted Share Units.
- 3 years after each vesting date applicable to such Restricted Share Units.
- 4 years after each vesting date applicable to such Restricted Share Units.
- 5 years after each vesting date applicable to such Restricted Share Units.

In the event of my death, any Restricted Share Units that have vested but are subject to the deferral election above shall be paid to the following beneficiary in accordance with the timing of such election:

Name: _____

Address: _____

Relationship: _____

I have read and understand the terms of the Plan and this Restricted Share Deferral Agreement. By signing this form, I hereby elect to defer the payout of the Restricted Share Units as set forth above to which I may become entitled to receive upon vesting of such Restricted Share Units. **I UNDERSTAND THAT THE AMOUNT OF DEFERRAL, AND THE TIMING OF THE PAYMENT ELECTIONS I MAKE, MAY NOT BE ALTERED.** I also acknowledge that the Administrators of the Plan have complete discretion to administer and interpret the Plan. Notwithstanding the elections set forth above, I understand that the Administrators may, in their sole discretion, elect to terminate this deferral arrangement and accelerate the timing of the payment to me of my deferred Restricted Share Units to the extent that the Administrators determine it is permitted or required to do so under Section 409A of the Code. The deferral arrangement described in this form is intended to comply with Section 409A of the Code and shall be interpreted accordingly.

NOVA ROYALTY CORP.

Authorized Signatory

Signature of Participant

Name of Participant