

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

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***IN VIEW OF THE CURRENT AND RAPIDLY EVOLVING COVID-19 OUTBREAK, THE COMPANY REQUESTS THAT IF POSSIBLE ALL SHAREHOLDERS VOTE THEIR SHARES BY PROXY AND AVOID ATTENDING THE MEETING IN PERSON, HOWEVER, IF YOU CHOOSE TO ATTEND THE MEETING IN PERSON, SHAREHOLDERS ARE ASKED TO FOLLOW THE INSTRUCTIONS OF THE PUBLIC HEALTH AGENCY OF CANADA ([canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html](https://canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html))***

***THE COMPANY RESPECTFULLY ASKS SHAREHOLDERS NOT TO ATTEND THE MEETING IN PERSON IF EXPERIENCING ANY OF THE DESCRIBED COVID-19 SYMPTOMS OF FEVER, COUGH OR DIFFICULTY BREATHING, OR IF THEY HAVE BEEN EXPOSED TO ANYONE EXHIBITING COVID-19 SYMPTOMS WITHIN THE LAST 14 DAYS. THE COMPANY MAY TAKE ADDITIONAL PRECAUTIONARY MEASURES IN RELATION TO THE MEETING IN RESPONSE TO FURTHER DEVELOPMENTS IN THE COVID-19 OUTBREAK.***

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**TAKE NOTICE** that the annual general meeting (the “**Meeting**”) of shareholders of Group Eleven Resources Corp. (the “**Company**”) will be held at the offices of Suite 1050, 400 Burrard Street, Vancouver, BC V6C 3A6 on Tuesday, June 22, 2021 at 10:00 a.m. (Pacific Standard Time).

The purpose of the Meeting is:

1. To receive the audited financial statements of the Company for the financial year ended December 31, 2020 and the report of the auditor thereon;
2. To reappoint the auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration of the auditor;
3. To elect directors of the Company for the ensuing year;
4. To approve the continuation of the Company’s stock option plan, as described in the information circular for the Meeting (the “**Information Circular**”), which accompanies this Notice;
5. To consider and, if thought fit, to pass, with or without amendment, an ordinary resolution to affirm, ratify and approve the deferred share unit plan of the Company, as further described in the accompanying Information Circular;
6. To consider and, if thought fit, to pass, with or without amendment, an ordinary resolution to affirm, ratify and approve the restricted share unit plan of the Company, as further described in the accompanying Information Circular; and
7. To consider any permitted amendment to or variation of any matter identified in this Notice, and to transact such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting.

The Company’s board of directors has fixed May 7, 2021 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Information Circular.

Proxies submitted must be received by the proxy cut off date of Friday, June 18, 2021 at 10:00am PST.

Regardless of whether a shareholder plans to attend the Meeting in person, we request that each shareholder please complete, date, and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure their shares will be voted at the Meeting. A shareholder who holds shares in a brokerage account is not a registered shareholder.

DATED at Vancouver, British Columbia this 7<sup>th</sup> day of May, 2021.

BY ORDER OF THE BOARD

***“Bart Jaworski”***

Bart Jaworski  
Chief Executive Officer



## INFORMATION CIRCULAR

(as at May 7, 2021 unless indicated otherwise)

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***IN VIEW OF THE CURRENT AND RAPIDLY EVOLVING COVID-19 OUTBREAK, THE COMPANY REQUESTS THAT IF POSSIBLE ALL SHAREHOLDERS VOTE THEIR SHARES BY PROXY AND AVOID ATTENDING THE MEETING IN PERSON, HOWEVER, IF YOU CHOOSE TO ATTEND THE MEETING IN PERSON, SHAREHOLDERS ARE ASKED TO FOLLOW THE INSTRUCTIONS OF THE PUBLIC HEALTH AGENCY OF CANADA ([canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html](https://canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html))***

***THE COMPANY RESPECTFULLY ASKS SHAREHOLDERS NOT TO ATTEND THE MEETING IN PERSON IF EXPERIENCING ANY OF THE DESCRIBED COVID-19 SYMPTOMS OF FEVER, COUGH OR DIFFICULTY BREATHING, OR IF THEY HAVE BEEN EXPOSED TO ANYONE EXHIBITING COVID-19 SYMPTOMS WITHIN THE LAST 14 DAYS.***

***THE COMPANY MAY TAKE ADDITIONAL PRECAUTIONARY MEASURES IN RELATION TO THE MEETING IN RESPONSE TO FURTHER DEVELOPMENTS IN THE COVID-19 OUTBREAK.***

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**This Information Circular is furnished in connection with the solicitation of proxies by the management of Group Eleven Resources Corp. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 22, 2021 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to the “Company”, “we” and “our” refer to Group Eleven Resources Corp. The “Board of Directors” or the “Board” refers to the Board of Directors of the Company. “Common Shares” means common shares without par value in the capital of the Company. “Company shareholders”, “shareholders” and “shareholders of the Company” refer to the shareholders of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. “Disinterested shareholders” means shareholders that are not Insiders nor an associate (as defined in the Securities Act (British Columbia)) of an Insider.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

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

### Appointment of Proxyholders

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

### **Voting by Proxyholder**

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

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

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

Proxies submitted must be received by the proxy cut off date of Friday, June 18, 2021 at 10:00am PST.

### **Registered Shareholders**

Registered shareholders (a shareholder whose name appears on the records of the Company as the registered holder of Common Shares) may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders who choose to submit a proxy may do so by:

- (a) completing, dating and signing the Proxy and returning it by mail or delivery to the address set forth on the accompanying return envelope to the Company's transfer agent, TSX Trust ("**TSX Trust**"): Attention: Proxy Department, TSX Trust, 301, 100 Adelaide Street West, Toronto Ontario M5H 4H1; or
- (b) Delivery of proxies should be to the following address: 301, 100 Adelaide Street West, Toronto Ontario M5H 4H1. If online voting is being used please to go to [www.voteproxyonline.com](http://www.voteproxyonline.com) and enter the 12 digit control number listed on your proxy/VIF.

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.

### **Beneficial Shareholders**

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

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

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

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

#### Non-Objecting Beneficial Owners

The Company is relying on the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from Broadridge Financial Solutions Inc. (“**Broadridge**”). The VIF is to be completed and returned to Broadridge as set out in the instructions provided on the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for: (a) delivering these materials to you; and (b) carrying out your voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

#### Objecting Beneficial Owners

The management of the Company does not intend to pay for intermediaries to forward the materials to OBOs. OBOs will not receive the materials unless their intermediaries assume the cost of delivery.

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

The proxy form supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge in Canada and in the United States. Broadridge mails a VIF in lieu of the Proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company, and who can be you) other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting. To exercise this right, insert the name of the desired representative, who may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

## Notice to Shareholders in the United States

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

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

## Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to TSX Trust at the address set forth in the Proxy, or to the Company at the address of the registered office of the Company at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned or postponed, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

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

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

To the best of our knowledge, except as otherwise disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last completed financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### Record Date

The Board has fixed May 7, 2021 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record

Date who either: (a) attend the Meeting personally; or (b) complete, sign and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

### **Voting Securities**

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. The Common Shares are listed for trading on the TSX Venture Exchange (the "TSX-V") under the symbol "ZNG". As of May 7, 2021, there were 137,469,836 Common Shares issued and outstanding. The quorum for the transaction of business at the Meeting is at least two persons who are, or who represent by proxy, shareholders who in the aggregate hold at least five percent of the issued and outstanding Common Shares.

Subject to any special rights or restrictions attached to any shares (and to restrictions imposed on joint shareholders): (a) on a vote by a show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each Common Share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy. If there are joint shareholders registered in respect of any share: (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted. No group of shareholders of the Company has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, the only persons that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at May 7, 2021 was:

Shareholder Name	Number of Shares Held	Percentage of Issued Shares
<b>Michael Gentile</b>	23,349,948	16.99% <sup>(2)</sup>
<b>Glencore Canada Corporation</b>	36,323,515	26.42% <sup>(3)</sup>

- (1) Based on 137,469,836 Common Shares issued and outstanding, on an undiluted basis, as of May 7, 2021
- (2) The total does not include 5,000,000 warrants to purchase Common Shares issued to Mr. Gentile.
- (3) The total does not include 15,112,950 warrants to purchase Common Shares issued to Glencore Canada Corporation.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

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

## ELECTION OF DIRECTORS

### Board Size

The Company's Board of Directors is currently set at five.

### Nominees for Election

The current directors will cease to hold office immediately before the election of directors at the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* or the terms of the Company's Articles, each director elected at the Meeting will hold office until immediately before the election of directors at the next annual general meeting of shareholders of the Company, or, if no director is then elected, until a successor is elected, or until he otherwise ceases to hold office under the *Business Corporations Act* or the terms of the Company's Articles.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person or company, except the directors and senior officers of the Company acting solely in such capacity.

Each of the five director nominees has agreed to stand for election. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated for election at the Meeting.

The Company has adopted bylaws requiring advance notice of the nomination of directors in certain circumstances (the "Advance Notice Bylaws"). To be timely, the advance notice by the nominating Shareholder (the "Nominating Shareholder") must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 and not more than 65 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder is to be made not later than the close of business on the 10th day after the Notice Date in respect of such meeting; and
- (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made.

For further information about the Advance Notice Bylaws, please see the Company's information circular dated May 1, 2018.

No nominations of directors for the Meeting by Nominating Shareholders were received in accordance with the Advance Notice Bylaws.

The following disclosure sets out each of management's nominees for election as directors: (a) the nominee's name and the nominee's province or county, and country of residence; (b) the nominee's principal occupation, business or employment for the five preceding years, unless the nominee is now a director and was elected to the present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular; (c) the period of time during which each has been a director of the Company; (d) the members of each committee of the Board; and (e) the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the nominee:

Name, and Province or County and Country of Residence	Director Since	Occupation, Business or Employment <sup>(1)</sup>	Common Shares Beneficially Owned or Controlled <sup>(2)</sup>
Alessandro Bitelli <sup>(3)(4)</sup> Vancouver, British Columbia Director	December 2017	Executive Vice President, Chief Financial Officer of Lundin Gold Inc. since 2016; former Chief Financial Officer of Orca Gold Inc. from 2013 to 2016; and former Chief Financial Officer of RB Energy Inc. from 2011 to 2014.	125,000
Brendan Cahill <sup>(3)(4)</sup> Toronto, Ontario Director	December 2017	President (since 2012) and Chief Executive Officer (since 2013) of Excellon Resources Inc.; prior thereto, Vice President Corporate Development of Pelangio Exploration Inc. (since 2009).	271,952
Daniel MacInnis <sup>(3)(4)</sup> Vancouver, British Columbia. Director and Chair	December 2017	Businessman; formerly President and Chief Executive Officer of MAG Silver Corp. from 2005 to 2013. Also currently a Board member of MAG Silver.	50,000
Bart Jaworski <sup>(4)</sup> County Wicklow, Ireland Director and Chief Executive Officer	December 2016	Chief Executive Officer of the Company (since December 2016); Chief Executive Officer, Group Eleven Resources Limited (subsidiary of the Company) (May 2015 to present); Board member and operator of 0890763 BC Ltd (2010 to present); Mining Equity Analyst, J & E Davy (January 2012 to April 2015); Mining Equity Analyst, Raymond James Ltd. (May 2003 to December 2011).	3,357,301
Ken Klassen	August 2020	General Counsel of Jervois Mining Limited (since June 2019); formerly General counsel of Glencore plc (2012 to 2016); Senior Partner, Bennet Jones (2010 to 2012); and Senior Partner at Davies Ward Phillips & Vineberg (2001 to 2010).	Nil

Notes:

1. The information as to principal occupation, business or employment may not be within the knowledge of the management of the Company and has been furnished by the respective nominees.
2. The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of the Company and has been furnished to the Company by the respective nominees or has been extracted from insider reports available at [www.sedi.ca](http://www.sedi.ca).
3. Member of the Company's Audit Committee.
4. Member of the Company's Corporate Governance and Compensation Committee

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.** Unless authority to do so with respect to one or more directors is withheld, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the election of each of the nominees set forth in the above disclosure.

The Company's management does not contemplate that any of the above nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons designated in the accompanying Proxy to vote the Common Shares represented by such Proxy, properly executed, **FOR** the election of any other person or persons in place of any nominee or nominees unable to serve, unless authority to do so with respect to the nominee or nominees unable to serve is withheld.

### **Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

Other than as set forth below, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Alessandro Bitelli was the Chief Financial Officer of RB Energy Inc. ("RBI") when it sought court protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and was granted such protection by an order of the Québec Superior Court on October 14, 2014. The Toronto Stock Exchange delisted RBI common shares effective at the close of business on November 24, 2014 for failure to meet its continued listing requirements. Since that time, RBI common shares have been suspended from trading. On May 8, 2015, the Québec Superior Court appointed Duff & Phelps Canada Restructuring Inc., now KSV Advisory Inc., as receiver of RBI and its Canadian subsidiaries to administer and realize upon the assets of RBI.

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## APPOINTMENT OF AUDITOR

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE APPOINTMENT OF DAVIDSON AND COMPANY LLP AS AUDITOR.** Unless authority to do so is withheld, the persons designated as proxyholders in the accompany Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the appointment of Davidson and Company LLP, Chartered Professional Accountants, as auditor of the Company to serve until the close of the next annual general meeting of shareholders and the authorization of the directors to fix the remuneration of the auditor. Davidson and Company LLP, Chartered Professional Accountants, have been auditors of the Company since January, 2017.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Continuation of Stock Option Plan

#### Summary of the Stock Option Plan

As disclosed the Company’s prospectus dated December 4, 2017 the Company has adopted a stock option plan (the “**Stock Option Plan**”). In accordance with TSX Venture Exchange policy, at each annual general meeting following adoption of the Stock Option Plan, the Company must obtain Shareholder approval to continue the Stock Option Plan. Therefore, at the Meeting, the shareholders will be asked to consider and, if deemed appropriate to pass an ordinary resolution approving the continuation of the Stock Option Plan. A copy of the Stock Option Plan may be obtained upon request from the Company’s Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839 during normal business hours up to and including the date of the Meeting. Copies of the Stock Option Plan will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who requests a copy of the Stock Option Plan and who is not a security holder of the Company.

The Stock Option Plan provides that, subject to the requirements of the TSX-V, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the time of granting of options. Furthermore, the aggregate number of shares that may be issued pursuant to the exercise of the Stock Options awarded under the Stock Option Plan and all other security-based compensation arrangements of the Company shall not exceed 10% of the issued and outstanding Common Shares at any given time. As of the date of this Information Circular, there are 13,746,984 Common Shares reserved for options to be granted, being 10% of the 137,469,836 issued and outstanding Common Shares with 4,750,000 options currently granted. All options granted under the Stock Option Plan expire on a date not later than 10 years after the date of grant of such options.

Subject to the provisions below regarding Consultants and Investor Relations Persons, the aggregate number of options granted under the Stock Option Plan in any 12 month period to any one Eligible Person, together with all other security based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

An “**Eligible Person**” under the Stock Option Plan means:

- (a) a senior officer or director of the Company or any of its subsidiaries;
- (b) either:
  - (i) an individual who is considered an employee under the *Income Tax Act*,
  - (ii) an individual who works full-time for the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over

the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source, or

- (iii) an individual who works for the Company on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source, (any such individual, an **"Employee"**);
- (c) an individual employed by a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual (a **"Company"**) which individual is providing management services to the Company through such Company, or an individual (together with a Company, a **"Person"**) providing management services directly to the Company, which management services are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities (as hereafter defined) (a **"Management Company Employee"**);
- (d) an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, who:
  - (i) provides ongoing consulting services to the Company or an Affiliate of the Company under a written contract other than services provided in relation to a Distribution (as defined in the policies of the TSX-V);
  - (ii) possesses technical, business or management expertise of value to the Company or an Affiliate of the Company;
  - (iii) spends a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company;
  - (iv) 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; and
  - (v) does not engage in Investor Relations Activities (as hereafter defined)any such individual, a **"Consultant"**;
- (e) an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, that falls within the definition of Consultant contained in subsections (d)(i) through (iv) which provides investor relations activities (as such term is defined in the Stock Option Plan) (an **"Investor Relations Consultant"**); or
- (f) a Person that falls within the definition of Eligible Person contained in any of (a), (b) or (d) which provides investor relations activities (as such term is defined in the Stock Option Plan (and together with any Investor Relations Consultant, **"Investor Relations Person"**)).

The terms "insider", "controlled" and "subsidiary" shall have the meanings ascribed thereto in the *Securities Act* (British Columbia) from time to time. Subject to the foregoing, the Board shall have full and final authority to determine the persons who are to be granted options under the DSU Plan and the number of shares subject to each option.

The maximum number of stock options which may be granted to any one Consultant within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant.

The maximum number of stock options which may be granted to Investor Relations Persons under the Stock Option Plan within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant.

The Stock Option Plan is administered by the Board or by a special committee of directors which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such Eligible Persons, if any, as the Board may from time to time designate.

The exercise price of any options granted under the Stock Option Plan shall be determined by the Board, based on the prevailing market of the Common Shares less any discounts from the market price allowed by the TSX-V, subject to a minimum price of \$0.05.

The term of any options granted under the Stock Option Plan shall be determined by the Board at the time of grant, subject to earlier termination in the event of dismissal for cause, termination other than for cause, or in the event of death. The term of any options granted under the Stock Option Plan may not exceed ten years.

If desired by the Board, options granted under the Stock Option Plan may be subject to vesting. Options granted under the Stock Option Plan are not to be transferable or assignable other than as a consequence of the death of the holder. Subject to certain exceptions, in the event that a holder of options ceases to be an Eligible Person options granted to such person will expire 90 days after such person ceases to be an Eligible Person, or such longer period as determined by the Board of the Company. In the event of death of a holder of options, options granted under the Stock Option Plan expire one year from the date of the death of the option holder.

#### Approval of Stock Option Plan Resolution

At the Meeting, the shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution, with or without variation (the “**Stock Option Plan Resolution**”):

“BE IT HEREBY RESOLVED, as an ordinary resolution of the shareholders of the Company, with or without amendment, that:

1. The Company’s Stock Option Plan, as set forth in the Company’s Information Circular dated May 7, 2021, including the reservation for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Stock Option Plan by the TSX Venture Exchange (the “**TSX-V**”);
2. The board of directors of the Company be authorized in its absolute discretion to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the TSX-V; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the TSX-V or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan.”

An ordinary resolution is a resolution passed at the Meeting by a simple majority of the votes cast by shareholders voting Common Shares at the Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE STOCK OPTION PLAN RESOLUTION. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the Stock Option Plan Resolution.**

### **Approval of Deferred Share Unit Plan**

#### *Summary of the Deferred Share Unit Plan*

The Board adopted a deferred share unit plan (the “DSU Plan”) on January 1, 2018. At the Meeting, disinterested Shareholders will be asked to pass an ordinary resolution to affirm, ratify and approve the DSU Plan. The purpose of the DSU Plan is to align the interests of those directors of the Board as being eligible to participate in the DSU Plan with those of the Company and its Shareholders and to assist in attracting, retaining and motivating directors by making a portion of the incentive compensation of participating directors directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the DSU Plan is designed to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of directors of the Company and its subsidiaries; (b) encouraging such directors to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors with the interests of the Company.

The DSU Plan is a fixed plan and allows for deferred share units (“**DSUs**”), of up to an aggregate of 2,000,000 Common Shares (representing approximately 1.5% of the issued and outstanding Common Shares as at May 7 2021), to be granted to the participants under the DSU Plan.

The following is a summary of the DSU Plan and is qualified in its entirety by the full text of the DSU Plan, a current copy of which is attached as Schedule “B” hereto. The DSU Plan remains subject to the approval of the TSX-V, and is subject to any modifications as may be required by the rules and policies thereof. A copy of the RSU Plan may be obtained upon request from the Company’s Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839 during normal business hours up to and including the date of the Meeting.

#### *Purpose*

The purpose of the DSU Plan is to strengthen the alignment of interests between the Company and the shareholders of the Company by linking a portion or all of annual director compensation to the future value of the Common Shares. In addition, the DSU Plan has been adopted for the purpose of advancing the interests of the Company through the motivation, attraction and retention of directors of the Company, it being generally recognized that deferred share unit plans aid in attracting, retaining and encouraging director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares.

#### *Administration*

The Plan shall be administered by the Nominating, Governance and Compensation Committee (hereafter referred to as “the Committee”) and the Committee shall have full discretionary authority to administer the DSU Plan including the authority to interpret and construe any provision of the DSU Plan and to adopt, amend and rescind such rules and regulations for administering the DSU Plan as the Committee may deem necessary in order to comply with the requirements of the DSU Plan. In addition the Committee may determine, as may be necessary, the Quarter when the DSU Plan will commence to apply and the Quarter when the DSU Plan will cease to apply to any particular Eligible Director. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and

shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the DSU Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the DSU Plan and of the rules and regulations established for administering the DSU Plan. All costs incurred in connection with the DSU Plan shall be for the account of the Company.

The Company shall maintain a register in which shall be recorded the name and address of each Participant in the DSU Plan; the number of Deferred Share Units granted to each Participant under the DSU Plan; and the date and price at which Deferred Share Units were granted.

Each grant of Deferred Share Units under the DSU Plan shall be evidenced by a letter of the Company. Such Deferred Share Units shall be subject to all applicable terms and conditions of the DSU Plan and may be subject to any other terms and conditions which are not inconsistent with the DSU Plan and which the Committee deems appropriate for inclusion in the letter. The provisions entered into need not be identical, and may vary from Quarter to Quarter and from Participant to Participant.

Notwithstanding any other provision of the Deferred Share Unit Plan, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no Deferred Share Units will be granted to such Participant to compensate for a downward fluctuation in the value of the Company Shares in the capital of the Company nor will any other form of benefit be conferred upon, or in respect, of a Participant for such purpose.

#### *Maximum Number of Common Shares and Limitations*

The number of Common Shares issuable under the DSU Plan combined with the number of Common Shares issuable under all share-based compensation arrangements of the Corporation and under any other compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares as at the date of such issuance.

The foregoing limitation does not apply to grants made in lieu of directors' fees. Notwithstanding anything else contained herein, the number of Common Shares of the Company which are (i) issuable at any time, and (ii) issued within any one-year period, to insiders (as such term is defined in Part 1 of the TSX Company Manual) of the Corporation pursuant to the terms of the DSU Plan and under any other share based compensation arrangement, shall not exceed 10% of the Company's total issued and outstanding Common Shares.

Subject to the provisions below regarding Consultants and Investor Relations Persons, the aggregate number of DSUs granted under the DSU Plan in any 12-month period to any one participant, together with all other security based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

The maximum number of DSUs which may be granted to any one Consultant within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant. No DSUs will be granted to Investor Relations Consultants under the DSU Plan.

#### *Participants*

The Committee shall grant and issue to each Eligible Director on each DSU Issue Date, that number of Deferred Share Units having a value equal to 100% of the Director's DSU Remuneration payable to such Eligible Director for the current period (the "Entitlement") or such other percentage as decided by the Board. More specifically, the number of Deferred Share Units to be granted to an Eligible Director will be

determined by dividing the Entitlement by the Market Value for a Common Share on the TSX-V on the business day immediately preceding the DSU Issue Date.

#### *Redemption*

Each Deferred Share Unit held by a Participant who ceases to be an Eligible Director shall be redeemed by the Company on the relevant Separation Date for a DSU Payment (less any applicable taxes and other source deductions required to be withheld by the Company) to be made to the Participant (or after the Participant's death, a dependent, relative or legal representative of the Participant) on such date as the Company determines not later than 60 days after the Separation Date, without any further action on the part of the holder of the Deferred Share Unit in accordance with this Article Three. Upon vesting, each DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU Plan, the issuance of either Common Shares or the equivalent of a lump sum cash payment at the option of the Company.

#### *Dividends*

In the event that a dividend (other than stock dividend) is declared and paid by the Company on Common Shares, a Participant will be credited with additional Deferred Share Units. The number of such additional Deferred Share Units will be calculated by dividing the total amount of the dividends that would have been paid to the Participant if the Deferred Share Units in the Participant's account on the dividend record date had been outstanding Common Shares (and the Participant held no other Common Shares), by the Market Value of a Common Share on the TSX-V on the date on which the dividends were paid on the Common Shares.

#### *Term*

The Plan, as set forth herein, shall be effective as of January 1, 2018 and shall apply as of the first DSU Issue Date following adoption. The Plan shall remain in effect until it is terminated by the Board. Upon termination of the DSU Plan, the Company shall redeem all remaining Deferred Share Units, as at the applicable Separation Date for each of the remaining Participants.

#### *Withholding Taxes*

The Company or any Designated Affiliate of the Company may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or any Designated Affiliate of the Company is required by any law or regulation of any governmental authority whatsoever to withhold.

#### *Amendment of Deferred Share Unit Plan*

Subject to section 6.03, the Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Deferred Share Unit Plan, provided that any amendment, modification or change to the provisions of the Deferred Share Unit Plan which would:

- (a) Materially increase the benefits under the Deferred Share Unit Plan;
- (b) Materially modify the requirements as to eligibility for participation in the Deferred Share Unit Plan; or
- (c) Terminate the Deferred Share Unit Plan,

shall only be effective upon such amendment, modification or change being approved by the Board, and, if required, by the TSX-V and any other regulatory authorities having jurisdiction over the Company. Any amendment of this Deferred Share Unit Plan shall be such that this Deferred Share Unit Plan continuously

meets the requirements of paragraph 6801(d) of the Regulations to the Income Tax Act (Canada) or any successor provision thereto.

#### Approval of DSU Plan Resolution

At the Meeting, the disinterested shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution, with or without variation (the “**DSU Plan Resolution**”):

“BE IT HEREBY RESOLVED, as an ordinary resolution of the shareholders of the Company, with or without amendment, that:

1. The DSU Plan, in the form attached as Schedule “B” to the Information Circular of the Company dated as of May 7, 2021, be and is hereby affirmed, ratified and approved;
2. the board of directors of the Company be authorized on behalf of the Company to make any amendments to the DSU Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution, including making any amendments to the DSU Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company.”

An ordinary resolution is a resolution passed at the Meeting by a simple majority of the votes cast by shareholders voting Common Shares at the Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE DSU PLAN RESOLUTION. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the DSU Plan Resolution.**

#### Approval of the Restricted Share Unit Plan

##### *Summary of the Restricted Share Unit Plan*

On May 7, 2021, the Board approved the adoption of the restricted share unit plan (the “**RSU Plan**”). The Board decided that it is desirable to have a wide range of incentive plans including the RSU Plan in place to attract, retain and motivate employees, directors and consultants of the Company. The RSU Plan is subject to the receipt of the requisite approvals of the TSX-V and the Shareholders.

The RSU Plan is a fixed plan and allows for restricted share units (“**RSUs**”), of up to an aggregate of 2,000,000 Common Shares (representing approximately 1.5% of the issued and outstanding Common Shares as at May 7, 2021), to be granted to the participants under the RSU Plan.

The following is a summary of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan, a current copy of which is attached as Schedule “C” hereto. The RSU Plan remains subject to the approval of the TSX-V, and is subject to any modifications as may be required by the rules and policies thereof. A copy of the RSU Plan may be obtained upon request from the Company’s Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839 during normal business hours up to and including the date of the Meeting.

### *Purpose*

The purpose of the RSU Plan is to advance the interests of the Company and its affiliates through the motivation, attraction and retention of full-time and part-time employees, directors and eligible contractors of the Company or an affiliate of the Company and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by such participants, it being generally recognized that restricted share unit plans aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company. The RSU Plan provides for the payment of bonus compensation in the form of Common Shares or, at the option of the Company, cash to participants.

### *Administration*

The RSU Plan provides that the RSU Plan shall be administered by the Board or, if the Board so determines, the Nominating, Governance and Compensation Committee of the Board authorized to administer the RSU Plan, (hereafter collectively referred to as "the Committee"). The Committee shall from time to time determine the participants who may participate in the RSU Plan.

### *Granting of RSU Awards*

The Committee shall from time to time determine the participants to whom RSUs shall be granted. The Committee shall, in its sole discretion, determine any and all conditions to the vesting of any RSUs granted to a participant, which vesting conditions may be based on either or both of time and performance criteria, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular participant to the success of the Company and its affiliates and any other factors which the Committee deems appropriate and relevant.

Each grant of an RSU award under the RSU Plan shall be evidenced by an RSU grant letter to the participant from the Company. Unless otherwise specified in the applicable RSU grant letter, the granting of RSUs to any participant under the RSU Plan which is awarded in May to December of a calendar year will be awarded solely in respect of performance of such participant in the same calendar year. Where RSUs are awarded in January to April of a particular calendar year, such bonus will be awarded solely in respect of performance of such participant in the calendar year immediately preceding such award. No RSU and no other right or interest of a participant is assignable or transferable but shall thereafter enure to the benefit of and be binding upon the participant's beneficiary designated under the RSU Plan.

Subject to the absolute discretion of the Committee, the Committee may elect to credit, as a bonus for services rendered in the calendar year containing the payment date for cash dividends paid on the Common Shares (the "**Dividend Payment Date**"), a participant with additional RSUs. In such case, the number of additional RSUs so credited will be equal to (computed to two decimal places) the aggregate amount of dividends that would have been paid to the participant if the RSUs in the participant's account as of the record date for payment of such dividends (the "Dividend Record Date") had been Common Shares divided by the Market Value of a Common Share on the Dividend Payment Date. The additional RSUs will vest on the participant's entitlement date of the particular RSU award to which the additional RSUs relate.

For the purposes of the RSU Plan, "Market Value" means the greater of either: (a) the weighted average trading price of the Common Shares on the TSX-V; and (b) the average of daily high and low board lot trading prices of the Common Shares on the TSX-V, for the five consecutive trading days immediately prior to the date as of which Market Value is determined, provided that where the Market Value would be determined with reference to a period commencing after a fiscal quarter end of the Company and ending prior to the public disclosure of interim financial statements for such quarter (or annual financial statements in the case of the fourth quarter), the calculation of the Market Value will be made with reference to the fifth trading day immediately following the date of public disclosure of the financial statements for that quarter. If the Common Shares are not trading on the TSX-V, then the Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the

Common Shares are not listed and posted for trading on any stock exchange or over the-counter market, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion, acting reasonably.

*Common Share Availability and Insider Participation Limit*

The aggregate maximum number of Common Shares available for issuance from treasury under the RSU Plan, subject to adjustment in the event of a stock dividend, consolidation, subdivision or reclassification, shall not exceed 2,000,000 Common Shares. Any Common Shares subject to an RSU which has been granted under the RSU Plan and which has been cancelled or terminated in accordance with the terms of the RSU Plan prior to such RSU being fully vested will again be available under the RSU Plan.

The maximum number of Common Shares issuable to insiders of the Company, at any time, pursuant to the RSU Plan and all other security-based compensation arrangements of the Company is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issued to insiders, within any one-year period, pursuant to the RSU Plan and all other security-based compensation arrangements of the Company, is 10% of the total number of Common Shares then outstanding.

Subject to the provisions below regarding Consultants and Investor Relations Persons, the aggregate number of RSUs granted under the RSU Plan in any 12-month period to any one participant, together with all other security based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

The maximum number of RSUs which may be granted to any one Consultant within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant. No RSUs will be granted to Investor Relations Consultants under the RSU Plan.

*Settlement of RSUs*

An RSU award granted to a participant for services rendered will entitle the participant, subject to the participant's satisfaction of any conditions, restrictions or limitations imposed under the RSU Plan or RSU grant letter, to receive a payment in fully paid Common Shares or, at the option of the Company, in cash on the date when the RSU award is fully vested.

For the purposes of the RSU Plan, "Employer" in respect of a participant means the entity which employs or receives services from, as applicable, such participant, which may be the Company or an affiliate of the Company. Subject to the Company's ability to elect to satisfy its payment obligations in cash, the Employer shall satisfy its payment obligation, net of any applicable taxes and other source deductions required to be withheld by the Employer, on the redemption of the RSUs, with the issue of fully paid Common Shares from treasury or by having the broker appointed by the Board under the RSU Plan (the "**Broker**") acquire Common Shares in the open market (using funds paid to the Broker by the affiliate that is the employer of the participant for such purpose) on behalf of the participant, in the event that the Company elects not to issue Common Shares from treasury. If, after the issuance of Common Shares or the purchase of Common Shares by the Broker, an amount remains payable in respect of the vested RSUs being redeemed, the applicable affiliate shall pay such remaining amount in cash (net of any applicable taxes or other source deductions required to be withheld) to the participant.

In the event that the Employer satisfies its payment obligation in Common Shares, a participant may direct to have the Broker, if any such Broker has been appointed by the Board, sell such Common Shares on behalf of the participant. In the absence of an election being made, the participant shall be deemed to have elected to receive the Common Shares directly.

In the event that the Employer elects to satisfy its payment obligation in cash, on the date when an RSU award is fully-vested, the RSUs shall be redeemed and paid by the affiliate that is the employer of the

participant to the participant, subject to the deduction or withholding by the Employer of any amount required to be deducted or withheld.

*Effect of Death, Disability, Retirement or Termination*

Subject to the provisions described above and except as provided for in the RSU grant letter or as otherwise determined by the Committee, in the event of:

- (a) the death of the participant, all unvested RSUs credited to the participant will vest on the date of the participant's death. The Common Shares represented by the RSUs held by the participant shall be issued or acquired in the open market by the Broker, or cash will be paid, as determined by the Committee, to or for the benefit of the participant's estate as soon as practicable;
- (b) the disability of the participant, all RSUs credited to the participant which have not vested prior to the date on which the participant is determined to be totally disabled will vest on the earlier of (i) the 60<sup>th</sup> day following the date on which the participant is determined to be totally disabled and (ii) the participant's entitlement date, and the Common Shares represented by RSUs held by the participant shall be issued or acquired in the open market by the Broker, or cash will be paid, as determined by the Committee, to or for the benefit of the participant as soon as practicable;
- (c) if a participant shall cease to be employed by, or provide services to, the Company or an affiliate of the Company (and is not or does not continue to be a director or employee thereof) as a result of termination without cause, all unvested RSUs credited to the participant shall vest on the date of termination, and the Common Shares represented by RSUs held by the participant shall be issued or acquired in the open market by the Broker, or cash will be paid, as determined by the Committee, to or for the benefit of the participant as soon as practicable, in accordance with the RSU Plan; and
- (d) if a participant shall:
  - (i) cease to be a director of the Company or an affiliate of the Company (and is not or does not continue to be an employee thereof) for any reason other than death or disability, or
  - (ii) cease to be employed by, or provide services to, the Company or an affiliate of the Company (and is not or does not continue to be a director or employee thereof) for any reason other than death, disability or termination without cause, all RSUs held by such participant shall be forfeited and cancelled as of the date of termination, and the participant shall have no entitlement to receive any payment in respect of such forfeited RSUs, or any other amount in respect of such forfeited RSUs, by way of damages, payment in lieu or otherwise.

*Change of Control*

If there is a Change of Control (as defined in the RSU Plan), all RSUs outstanding that are held by a participant shall immediately vest on the date of such Change of Control notwithstanding the participant's entitlement date. In any event, upon a Change of Control, participants shall not be treated any more favourably than shareholders of the Company with respect to the consideration that the participants would be entitled to receive for their Common Shares.

### *Take-Over Bid*

In the event that the Company becomes the subject of a take-over bid (within the meaning of the Securities Act (Ontario)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all holders of RSUs requiring them to surrender their RSUs within 10 days of the mailing of such notice, and the holders of RSUs shall be deemed to have surrendered such RSUs on the tenth (10th) day after the mailing of such notice without further formality, subject to certain conditions outlined in the RSU Plan being satisfied.

### *Amendment or Discontinuance*

The Board or the Committee, as the case may be, may suspend or discontinue the RSU Plan, or any portion thereof, at any time without first obtaining shareholder approval and in its absolute discretion, provided that, without the consent of a participant, such suspension or discontinuance may not in any manner adversely affect the participant's rights under any RSU granted under the RSU Plan.

The Board or the Committee may, subject to receipt of requisite regulatory and shareholder approval, make the following amendments to the RSU Plan:

- (a) amend the number of securities under the RSU Plan;
- (b) change the definition of "Participant" under the RSU Plan which would have the potential of narrowing, broadening or increasing insider participation;
- (c) make amendments to the limits on non-employee director participation;
- (d) make amendments to the amending provisions of the RSU Plan; or
- (e) make amendments to permit RSUs, or any other right or interest of a participant under the RSU Plan, to be assigned or transferred, other than for normal estate settlement purposes.

The Board or the Committee may, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the RSU Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature;
- (b) the addition or a change to the vesting provisions of an RSU or the RSU Plan;
- (c) a change to the termination provisions of an RSU or the RSU Plan;
- (d) amendments to reflect changes to applicable securities laws; and
- (e) amendments to ensure that the RSUs granted under the RSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant to whom an RSU has been granted may from time to time be resident or a citizen.

### Approval of RSU Plan Resolution

At the Meeting, the disinterested shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution, with or without variation (the "**RSU Plan Resolution**"):

“BE IT HEREBY RESOLVED, as an ordinary resolution of the shareholders of the Company, with or without amendment, that:

1. The RSU Plan, in the form attached as Schedule “C” to the Information Circular of the Company dated as of May 7, 2021, be and is hereby affirmed, ratified and approved;
2. the board of directors of the Company be authorized on behalf of the Company to make any amendments to the RSU Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to this resolution, including making any amendments to the RSU Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company.”

An ordinary resolution is a resolution passed at the Meeting by a simple majority of the votes cast by shareholders voting Common Shares at the Meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE RSU PLAN RESOLUTION. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by such Proxy, properly executed, FOR the RSU Plan Resolution.**

## **AUDIT COMMITTEE**

### **The Audit Committee’s Charter**

The Company’s Audit Committee Charter sets out the Audit Committee’s mandate and responsibilities and is attached as Schedule “A” hereto.

### **Composition of the Audit Committee**

The current members of the Audit Committee are comprised of three directors, consisting of Messrs. Bitelli, Cahill and MacInnis. Each member is independent within the meaning of National Instrument 52-110 Audit Committees (“**NI 52-110**”). All members of the Audit Committee are financially literate within the meaning of NI 52-110. All of the Audit Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

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

### **Relevant Education and Experience**

The following is a summary of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

- Mr. Bitelli is the Executive Vice President and Chief Financial Officer of Lundin Gold Inc. (a reporting issuer).

- Mr. Cahill is the President and Chief Executive Officer of Excellon Resources Inc. (a reporting issuer) and is a member of the Law Society of Upper Canada.
- Mr. MacInnis is the former President and Chief Executive Officer and a current director of MAG Silver Corp. (a reporting issuer).

Such education and experience provides each member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- 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 issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*);
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*);
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

### **Pre-Approval Policies and Procedures**

The Audit Committee pre-approves fees for non-audit services.

### **Exemption**

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

### **External Auditor Service Fees**

The aggregate fees billed by the Company's auditors for the past two fiscal years ended December 31, are shown in the table below.

Nature of Services	Auditors fees for the Year Ended December 31, 2020	Auditors fees for the Year Ended December 31, 2019
Audit Fees <sup>(1)</sup>	22,000	20,725
Tax Fees <sup>(2)</sup>	6,000	6,668
<b>Total</b>	<b>28,000</b>	<b>27,393</b>

Notes:

1. "Audit Fees" include fees necessary to perform the annual audit and quarterly review of the Company's interim financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents reviews of securities filings and statutory audits.
2. "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

## STATEMENT OF CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below.

### General

The Company recognizes the importance of good corporate governance to the long term and successful management of the Company. The Company values accountability, and honest and ethical behaviour. The Company's Board and Management have adopted policies and established committee structures to provide the best corporate governance standards suitable to the Company's current stage of development. The policies, codes and charters adopted, including a Code of Business Conduct and Ethics and a Corporate Disclosure Policy, are available on the Company's website at [www.groupelevenresources.com](http://www.groupelevenresources.com).

### Board of Directors

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

Members of the current Board who are independent are Messrs. Bitelli, Cahill and MacInnis. Mr. Jaworski is not independent as he is an executive officer of the Company. The Board facilitates its independent supervision over management by holding periodic Board meetings to discuss the operation of the Company and by ensuring representation on the Board by directors who are independent of management.

### Directorships

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Alessandro Bitelli	Filo Mining Corp.
Brendan Cahill	Excellon Resources Inc. Kore Mining Ltd.
Daniel MacInnis	MAG Silver Corp. MAX Resource Corp.

### *Mandate of the Board*

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources.

### *Meetings of the Board*

The Board meets as required to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan. The Board also holds a meeting to review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process establishes, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board are called to deal with special matters as circumstances require.

### *Orientation and Continuing Education*

The Company does not provide a formal orientation or education program for new directors. However, new directors are educated about the nature and operation of the Company's business, current issues, corporate strategy and the role of the Board, its committees and its directors by the current directors and senior officers.

The Board encourages directors to participate in continuing education opportunities in order to ensure that directors maintain or enhance their skills and abilities as directors and maintain a current and thorough understanding of the Company's business.

### *Ethical Business Conduct*

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has adopted a written Code of Business Conduct and Ethics which may be viewed on the Company's website at [www.groupelevenresources.com](http://www.groupelevenresources.com). The Code of Business Conduct and Ethics clearly sets out the Company's standard requirements for honest and ethical conduct of its management and employees pertaining to conflicts of interest, timely disclosure, compliance with the law and accountability. The Code of Business Conduct and Ethics also clearly states the Company's requirements for fair dealing, and its corporate position on conflicts of interest and corporate opportunities and gifts, confidentiality and corporate assets, intellectual property, reporting and the effects of violations.

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest

of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or Agents of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### *Nomination of Directors*

The Board has not yet developed a protocol for the nomination of directors given that the Company became a reporting issuer in December 2017 upon completion of its initial public offering. In the future, based on the development of the Company's business, the Board will periodically review the size and composition of the Board to determine if any changes are required as well as assess any potential nominees. The Board anticipates that should it determine to increase the number of directors, it will endeavour to seek new nominees who have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, demonstrated support for the Company's mission and strategic objectives, and a willingness to serve.

#### *Compensation*

The Board has established a Nominating, Governance and Compensation Committee (hereafter referred to as the Governance Committee) to establish the compensation for directors and senior management, including the granting of stock options, as well as for the purposes of reviewing new nominees to the Board. This committee will review the adequacy and form of compensation to ensure it realistically reflects the responsibilities and risks involved in being an effective officer or director and recommend changes to the Board if required.

The Governance Committee is comprised of Dan MacInnis, Alessandro Bitelli, Bart Jaworski, Ken Klassen and Brendan Cahill, which, together with the Board of Directors, has the responsibility to administer compensation policies related to executive management of the Company and make recommendations to the Board of Directors, including with respect to option-based awards and performance bonus awards. The Governance Committee and Board recognize the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive's level of responsibility. The Governance Committee annually reviews each of the components and relevant competitive factors listed below and makes recommendations to the Board based on corporate and individual performance, taking into account leadership abilities, retention, risk and succession plans. Interested executives do not participate in reviews, discussions or decisions of the Board of Directors regarding this remuneration.

Dan MacInnis, Alessandro Bitelli and Brendan Cahill are considered to be independent directors for purposes of the Governance Committee. Bart Jaworski is not considered independent as he is the CEO of the Company and Ken Klassen is not considered independent as he receives remuneration from Glencore Canada Corporation.

The Board of Directors is of the view that the Compensation Committee collectively has the knowledge, experience and background to fulfill its mandate, and that each of the members of the Compensation Committee has direct experience relevant to his responsibilities regarding executive compensation. The three independent directors have been associated with numerous public companies and have extensive

experience with executive compensation at such public companies. These collective skills and extensive experience enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practices.

#### *Other Board Committees*

The Board has no committees other than the Audit Committee and the Nominating, Governance and Compensation Committee.

#### *Assessments*

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

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

For the purpose of this Statement of Executive Compensation:

**"Company"** means Group Eleven Resources Corp.;

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

**"NEO" or "named executive officer"** means:

- (a) each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

**"plan"** includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

**"underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company:

Name and Position	Fiscal Year Ended	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Bart Jaworski Chief Executive Officer, Director <sup>(1)</sup>	2020	181,778	Nil	Nil	Nil	Nil	181,778
	2019	196,581	Nil	Nil	Nil	Nil	196,581
	2018	211,168	Nil	Nil	Nil	Nil	211,168
Shaun Heinrichs Chief Financial Officer <sup>(2)</sup>	2020	114,400	Nil	Nil	Nil	Nil	114,400
	2019	125,400	Nil	Nil	Nil	Nil	125,400
	2018	132,000	Nil	Nil	Nil	Nil	132,000
David Furlong Chief Operating Officer <sup>(3)</sup>	2020	139,743	Nil	Nil	Nil	Nil	139,743
	2019	155,190	Nil	Nil	Nil	Nil	155,190
	2018	170,311	Nil	Nil	Nil	Nil	170,311
Alessandro Bitelli Director <sup>(4)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Brendan Cahill Director <sup>(5)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Daniel MacInnis Director <sup>(6)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Ken Klassen Director <sup>(7)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Jaworski was appointed as CEO and director on December 14, 2017.

(2) Mr. Heinrichs was appointed as CFO on December 13, 2017.

(3) Mr. Furlong was appointed as COO on December 13, 2017.

(4) Mr. Bitelli was appointed as a director on December 14, 2017.

(5) Mr. Cahill was appointed as a director on December 13, 2017.

(6) Mr. MacInnis was appointed as a director on December 14, 2017.

(7) Mr. Klassen was appointed as a director on August 11, 2020. "Mr. Klassen receives an hourly consulting fee from Glencore Canada Corporation for time spent in his role as a Director, to a maximum of US\$150,000 per calendar year and

reimbursement for reasonable out-of-pocket expenses. Mr. Klassen received US\$52,900 in 2020 for the period from his election as a Director to December 31, 2019."

### Stock Options and Other Compensation Securities

The following table sets out information concerning all compensation securities granted or issued to each director and NEO by the Company in the financial year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation on security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Bart Jaworski <i>Chief Executive Officer, Director</i> <sup>(2)</sup>	Stock Options <sup>(1)</sup>	300,000 (0.22%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	Oct. 2/25
Shaun Heinrichs <i>Chief Financial Officer</i> <sup>(3)</sup>	Stock Options <sup>(1)</sup>	150,000 (0.11%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	Oct. 2/25
Alessandro Bitelli <i>Director</i> <sup>(5)</sup>	Stock Options <sup>(1)</sup>	150,000 (0.11%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	Oct. 2/25
	Deferred Share Units	222,222 (0.16%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	N/A
Brendan Cahill <i>Director</i> <sup>(6)</sup>	Stock Options <sup>(1)</sup>	150,000 (0.11%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	Oct. 2/25
	Deferred Share Units	222,222 (0.16%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	N/A
Daniel MacInnis <i>Director</i> <sup>(7)</sup>	Stock Options <sup>(1)</sup>	150,000 (0.11%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	Oct. 2/25
	Deferred Share Units	222,222 (0.16%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	N/A
Ken Klassen <i>Director</i> <sup>(8)</sup>	Stock Options <sup>(1)</sup>	200,000 (0.11%)	Oct. 2/20	\$0.09	\$0.09	\$0.09	Oct. 2/25

Notes:

- (1) As at December 31, 2020, Mr. Jaworski held 800,000 stock options, which stock options are exercisable at \$0.20 per Common Share until expiry on September 6, 2023 and 300,000 stock options, exercisable at \$0.09 per Common Share until expiry on October 5, 2025
- (2) As at December 31, 2020, Mr. Heinrichs held 500,000 stock options, which stock options are exercisable at \$0.20 per Common Share until expiry on September 6, 2023; 150,000 stock options, which stock options are exercisable at \$0.08 per Common Share until expiry on October 17, 2022; and 150,000 stock options, which stock options are exercisable at \$0.09 per Common Share until expiry on October 5, 2025.
- (3) As at December 31, 2020, Mr. Bitelli held 100,000 stock options, which stock options are exercisable at \$0.40 per Common Share until expiry on February 19, 2023; 150,000 stock options, which stock options are exercisable at \$0.09 per Common Share until expiry on October 5, 2025; and 388,889 deferred share units.
- (4) As at December 31, 2020, Mr. Cahill held 100,000 stock options, which stock options are exercisable at \$0.40 per Common Share until expiry on February 19, 2023; 150,000 stock options, which stock options are exercisable at \$0.09 per Common Share until expiry on October 5, 2025; and 388,889 deferred share units.
- (5) As at December 31, 2020, Mr. MacInnis held 100,000 stock options, which stock options are exercisable at \$0.40 per Common Share until expiry on February 19, 2023; 150,000 stock options, which stock options are exercisable at \$0.09 per Common Share until expiry on October 5, 2025; and 388,889 deferred share units.
- (6) As at December 31, 2020, Mr. Klassen held 200,000 stock options, which stock options are exercisable at \$0.09 per Common Share until expiry on October 5, 2025.

## Exercise Compensation Securities by Directors and Named Executive Officers

The following table sets out information concerning each exercise by a director or an NEO of compensation securities during the financial year ended December 31, 2020.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Bart Jaworski <i>Chief Executive Officer, Director</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shaun Heinrichs <i>Chief Financial Officer</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alessandro Bitelli <i>Director</i>	n/a,	n/a	n/a	n/a	n/a	n/a	n/a
Brendan Cahill <i>Director</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Daniel MacInnis <i>Director</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ken Klassen <i>Director</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a

## Stock Plans and other Incentive Plans

### *10% Rolling Share Option Plan*

The Company's current stock option plan (the "Plan") is a "rolling" share option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase shares of the Company. As at the date hereof, there are **4,750,000** options outstanding under the Plan. The Plan was last approved by the shareholders of the Company on June 22, 2020.

A copy of the Plan is available for review on the Company's profile at [www.sedar.com](http://www.sedar.com) and at the office of the Company's Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839 or at the registered offices of the Company, at 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Telephone: 604-691-6100 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters To Be Acted Upon – *Continuation of Stock Option Plan*".

### *Deferred Share Unit Plan*

The Board adopted the DSU Plan effective as of January 1, 2018. The purpose of the DSU Plan is to promote the alignment of interests between the directors and Shareholders while enabling directors to participate in the long-term success of the Company through the grant of DSUs. Upon vesting, each DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU Plan, the

issuance of either Common Shares or the equivalent of a lump sum cash payment at the option of the Company. For the purposes of the DSU Plan, the value of the DSU on the Settlement Date is the market price, being the volume-weighted average price of the Common Shares on the TSX for the five trading days immediately preceding such Settlement Date, but if the Common Shares did not trade on such trading days, the market price shall be average of the bid and ask prices in respect of the Common Shares at the close of trading on such trading day. As at the date hereof, there are **1,166,666** DSU's outstanding under the Plan.

A copy of the DSU Plan is available for review at the office of the Company's Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839 or at the registered offices of the Company, at 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Telephone: 604-691-6100 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters To Be Acted Upon – *Approval of Deferred Share Unit Plan*".

#### *Restricted Share Unit Plan*

The Board adopted the RSU Plan effective as of July 2, 2019. The Board decided that it is desirable to have a wide range of incentive plans including the RSU Plan in place to attract, retain and motivate employees, directors and consultants of the Company. The RSU Plan is subject to the receipt of the requisite approvals of the TSX-V and the Shareholders. As at the date hereof, there were no RSU's outstanding under the Plan.

A copy of the RSU Plan is available for review at the office of the Company's Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839 or at the registered offices of the Company, at 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Telephone: 604-691-6100 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters To Be Acted Upon – *Approval of Restricted Share Unit Plan*".

#### **Employment, Consulting and Management Agreements**

**No new employment, consulting or management agreements were entered into since the last company's Annual General Meeting.**

Other than as disclosed below, the Company or any of its subsidiaries has not entered into any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

The Company has an employment agreement in place with its Chief Executive Officer and a consulting agreement in place for the Chief Financial Officer (collectively, the "Management Agreements" and individually a "Management Agreement"). The Management Agreements provide for base salary, discretionary bonuses and stock option awards, as approved by the Board, paid vacation and enrolment in the Company's benefits plan as applicable, which benefits are generally available to all employees of the Company, and provide payment on termination without just cause as described below.

#### **Termination and Change of Control Benefits**

The Management Agreements provide certain payments to each NEO in the event his or her services are terminated by the Company without cause. No amounts except accrued services up to the date of the termination are payable in the event that the NEO is terminated for cause or resigns voluntarily.

Each Management Agreement provides that:

- a) The NEO may terminate their engagement with the Company upon three months' written notice to the Company; and
- b) The Company may terminate its engagement with the NEO upon delivery of three months' written notice to the NEO

- c) If the NEO is terminated other than “for cause”, the Company is required to pay to the NEO a severance amount equal to 24 months salary (Jaworski) and 12 months fees (Heinrichs), based on the current approved retainer amounts plus any bonuses that are payable as well as full vesting of any outstanding options.
- d) Termination payments that would have been payable to each NEO had his or her services been terminated without cause on April 16, 2018 are as follows;
  - Jaworski – €276,000
  - Heinrichs – \$132,000
  - Furlong - €103,500

### **Oversight and Description of Director and NEO Compensation**

The Corporate Governance and Compensation Committee assists the Board in fulfilling its obligations relating to compensation issues. The Governance Committee acts alone when considering the compensation of the CEO. The proposed executive compensation is then presented to the Board for approval. The committee also makes recommendations to the Board respecting the Company’s incentive compensation plans, including administration of the Share Option Plan, DSU Plan and RSU Plan and must discharge all responsibilities imposed on the committee by the Company’s incentive compensation plans. It has the responsibilities of reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation program, recommending compensation of the Company’s officers and employees to the Board, and evaluating the performance of officers generally and in light of annual goals and objectives.

Furthermore, the committee may, at the request of the Board, review, approve and/or monitor compensation programs and strategies applicable to senior management, and review the corporate succession and development plans of the Company at the executive level. It reviews the compensation of senior management on a semi-annual basis and keeps current with developments in executive compensation for companies engaged in similar industries or that are of a similar size. The committee also reviews and approves any proposed severance termination payments to be made and prepares and issues all evaluations and reports under applicable law.

The compensation program for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including alignment with Shareholders’ interests, attracting and retaining highly qualified management, stewardship of existing capital resources, and focusing on linking compensation with achieving business objectives and financial results. To meet these objectives, the Board has focused primarily on stock-based compensation to ensure long term alignment of senior management and allow for the focused use of existing funds on exploration at the Company’s properties.

### **Pension Plan Benefits**

The Company does not operate any pension plans or provide any retirement benefits for its directors or employees.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth, as of the end of the Company’s most recently completed financial year, the number of securities to be issued upon exercise of outstanding stock options, the weighted-average exercise price and the number of securities remaining to be issued under equity compensation plans approved and not approved by the Shareholders:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	4,750,000 Options	\$0.16 Options	8,996,984 Options
Equity compensation plans not approved by security holders	Nil	N/A	Nil
<b>Total</b>	<b>4,750,000 Options</b>	<b>\$0.16 Options</b>	<b>8,996,984 Options</b>

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No executive officers or directors, or former executive officers or directors, nor any associate of such individuals, is as at the date hereof, or has been since the beginning of the financial year ended December 31, 2020, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed herein, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, or controls or directs, directly or indirectly, voting shares of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

#### **ADDITIONAL INFORMATION**

Financial information is provided in the audited consolidated financial statements of the Company for the year ended December 31, 2020 and in the related management discussion and analysis, which will be placed before shareholders at the Meeting. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2019 will be available upon request from the Company's Chief Financial Officer at 1050 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Telephone: 604-630-8839. Copies of these documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

**OTHER MATTERS**

As of the date of this Information Circular, the Board is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia this 31<sup>st</sup> day of May, 2021.

BY ORDER OF THE BOARD

***“Bart Jaworski”***

Bart Jaworski  
Chief Executive Officer

## **Schedule A**

Group Eleven Resources Corp.

### **Audit Committee Charter**

#### **PURPOSE**

The overall purpose of the Audit Committee (the “**Committee**”) of Group Eleven Resources Corp. (the “**Company**”) is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company’s Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company’s independent auditors.

#### **COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board of Directors (the “**Board**”).
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. 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 applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has 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 reasonably be expected to be raised by the Company’s financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **ROLES AND RESPONSIBILITIES**

9. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) be non audit services provided by the external auditors;
    - (ii) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
    - (iii) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
11. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and

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

## Schedule B

### Group Eleven Resources Corp.

#### Deferred Share Unit Plan

#### 1. DEFINITIONS

For purposes of the Deferred Share Unit Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "**Board**" means the board of directors of the Company;
- (b) "**Committee**" means the Nominating, Governance and Compensation Committee;
- (c) "**Common Shares**" means the common shares of the Company;
- (d) "**Company**" means Group Eleven Resources Corp.;
- (e) "**Deferred Share Unit**" means a unit credited by means of a bookkeeping entry to the account of an Eligible Participant in accordance with the provisions hereof, the value of which, on a particular date, shall be equal to the Market Price of one Common Share;
- (f) "**Designated Affiliate**" means an affiliate of the Company designated by the Committee for purposes of the Deferred Share Unit Plan from time to time;
- (g) "**Director's DSU Remuneration**" means the dollar amount representing the portion of the director remuneration as determined annually by the Board payable in the form of Deferred Share Units to an Eligible Director by the Company in each Quarter in respect of the services provided to the Company by the Eligible Director as a member of the Board or as a member of the board of directors of a Designated Affiliate in such Quarter, but, for greater certainty, excluding amounts received by an Eligible Director exclusively as cash based retainer fees and/or as a reimbursement for expenses incurred in attending meetings;
- (h) "**DSU Issue Date**" means the date in each Fiscal Year, which is the last business day of such Fiscal Year, or such other date recommended by the Committee and confirmed by the Board from time to time;
- (i) "**DSU Payment**" means the issuance of either a Common Share or, at the option of the Company, an equivalent cash payment by the Company to a Participant equal to the Market Value of a Common Share on the Separation Date multiplied by the number of Deferred Share Units held by the Participant on the Separation Date;
- (j) "**Eligible Director**" means a person who is a member of the board of directors and who, at the relevant time, is not otherwise an employee of the Company or of a Designated Affiliate, and such person shall continue to be an Eligible Director for so long as such person continues to be a member of such boards of directors and is not otherwise an employee of the Company or of a Designated Affiliate;
- (k) "**Insider**" has the meaning ascribed thereto under the *Securities Act* (British Columbia) the TSX Company Manual;
- (l) "**Market Value**" means the volume weighted average trading price of the Common Shares calculated by dividing the total value by the total volume of the Common Shares on the TSX-V for the five (5) consecutive trading days immediately prior to the date as of which Market Value is determined. If the Common Shares are not trading on the TSX-V, then the Market Value shall be determined in the same manner based on the trading price on such stock exchange or over-the-counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the Common Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall

be the fair market value of such Common Shares as determined by the Committee in its sole discretion;

- (m) "**Participant**" for the Deferred Share Unit Plan means each Eligible Director to whom Deferred Share Units are issued;
- (n) "**Plan**" means the deferred share unit plan as described within this policy;
- (o) "**Quarter**" means: a fiscal quarter of the Company, which, until changed by the Company, shall be the three-month period ending March 31, June 30, September 30 or December 31 in any calendar year;
- (p) "**Separation Date**" means the date that a Participant ceases to be an Eligible Director for any reason whatsoever, including death, of the Eligible Director and is otherwise not an employee of the Company or a Designated Affiliate; and
- (q) "**TSX-V**" means the TSX Venture Exchange.

## 2. PURPOSE

The purpose of the Plan is to strengthen the alignment of interests between the Eligible Directors and the shareholders of the Company by linking a portion or all of annual director compensation to the future value of the Common Shares. In addition, the Plan has been adopted for the purpose of advancing the interests of the Company through the motivation, attraction and retention of directors of the Company, it being generally recognized that deferred share unit plans aid in attracting, retaining and encouraging director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares.

## 3. ADMINISTRATION

The Plan shall be administered by the Committee and the Committee shall have full discretionary authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. In addition the Committee may determine, as may be necessary, the Quarter when the Plan will commence to apply and the Quarter when the Plan will cease to apply to any particular Eligible Director. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Company.

The Company shall maintain a register in which shall be recorded the name and address of each Participant in the Plan; the number of Deferred Share Units granted to each Participant under the Plan; and the date and price at which Deferred Share Units were granted.

Each grant of Deferred Share Units under the Plan shall be evidenced by a letter of the Company. Such Deferred Share Units shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in the letter. The provisions entered into need not be identical, and may vary from Quarter to Quarter and from Participant to Participant.

Notwithstanding any other provision of the Deferred Share Unit Plan, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no Deferred Share Units will be granted to such Participant to compensate for a downward fluctuation in the value of the Company Shares

in the capital of the Company nor will any other form of benefit be conferred upon, or in respect, of a Participant for such purpose.

#### **4. MAXIMUM NUMBER OF COMMON SHARES AND LIMITATIONS.**

The aggregate maximum number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 14, shall not exceed 2,000,000 Shares. Any Shares subject to a Deferred Share Unit which has been granted under the Plan and which has been cancelled or terminated in accordance with the terms of the Plan prior to such Deferred Share Unit being fully vested will again be available under the Plan. The number of Common Shares issuable under the Plan combined with the number of Common Shares issuable under all share based compensation arrangements of the Corporation and under any other compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares as at the date of such issuance.

The foregoing limitation does not apply to grants made in lieu of directors' fees. Notwithstanding anything else contained herein, the number of Common Shares of the Company which are (i) issuable at any time, and (ii) issued within any one year period, to insiders (as such term is defined in Part 1 of the TSX Company Manual) of the Corporation pursuant to the terms of the Plan and under any other share based compensation arrangement, shall not exceed 10% of the Company's total issued and outstanding Common Shares.

Subject to the provisions below regarding Consultants and Investor Relations Persons, the aggregate number of DSU's granted under the DSU Plan in any 12 month period to any one participant, together with all other security based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

The maximum number of DSU's which may be granted to any one Consultant within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant. No DSUs will be granted to Investor Relations Consultants under the DSU Plan.

#### **5. PARTICIPANTS**

The Committee shall grant and issue to each Eligible Director on each DSU Issue Date, that number of Deferred Share Units having a value equal to 100% of the Director's DSU Remuneration payable to such Eligible Director for the current period (the "Entitlement") or such other percentage as decided by the Board. More specifically, the number of Deferred Share Units to be granted to an Eligible Director will be determined by dividing the Entitlement by the Market Value for a Common Share on the TSX-V on the business day immediately preceding the DSU Issue Date.

#### **6. REDEMPTION**

Each Deferred Share Unit held by a Participant who ceases to be an Eligible Director shall be redeemed by the Company on the relevant Separation Date for a DSU Payment (less any applicable taxes and other source deductions required to be withheld by the Company) to be made to the Participant (or after the Participant's death, a dependent, relative or legal representative of the Participant) on such date as the Company determines not later than 60 days after the Separation Date, without any further action on the part of the holder of the Deferred Share Unit in accordance with this Article Three.

#### **7. DIVIDENDS**

In the event that a dividend (other than stock dividend) is declared and paid by the Company on Common Shares, a Participant will be credited with additional Deferred Share Units. The number of such additional Deferred Share Units will be calculated by dividing the total amount of the dividends that would have been paid to the Participant if the Deferred Share Units in the Participant's account on the dividend record date had been outstanding Common Shares (and the Participant held no other Common Shares), by the Market Value of a Common Share on the TSX-V on the date on which the dividends were paid on the Common Shares.

## **8. TERM**

The Plan, as set forth herein, shall be effective as of January 1, 2018 and shall apply as of the first DSU Issue Date following adoption. The Plan shall remain in effect until it is terminated by the Board. Upon termination of the Plan, the Company shall redeem all remaining Deferred Share Units, as at the applicable Separation Date for each of the remaining Participants.

## **9. WITHHOLDING TAXES**

The Company or any Designated Affiliate of the Company may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Company or any Designated Affiliate of the Company is required by any law or regulation of any governmental authority whatsoever to withhold.

## **10. AMENDMENT OF DEFERRED SHARE UNIT PLAN:**

Subject to section 6.03, the Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Deferred Share Unit Plan, provided that any amendment, modification or change to the provisions of the Deferred Share Unit Plan which would:

- (a) Materially increase the benefits under the Deferred Share Unit Plan;
- (b) Materially modify the requirements as to eligibility for participation in the Deferred Share Unit Plan;
- or
- (c) Terminate the Deferred Share Unit Plan,

shall only be effective upon such amendment, modification or change being approved by the Board, and, if required, by the TSX-V and any other regulatory authorities having jurisdiction over the Company. Any amendment of this Deferred Share Unit Plan shall be such that this Deferred Share Unit Plan continuously meets the requirements of paragraph 6801(d) of the Regulations to the Income Tax Act (Canada) or any successor provision thereto.

## **11. NON-ASSIGNABLE**

Except as otherwise may be expressly provided for under this Deferred Share Unit Plan or pursuant to a will or by the laws of descent and distribution, no Deferred Share Unit and no other right or interest of a Participant is assignable or transferable, and any such assignment or transfer in violation of this Deferred Share Unit Plan shall be null and void.

## **12. RIGHTS AS A SHAREHOLDER AND DIRECTOR**

No holder of any Deferred Share Units shall have any rights as a shareholder of the Company at any time. Nothing in the Deferred Share Unit Plan shall confer on any Eligible Director the right to continue as a director or officer of the Company or as a director or officer of any Designated Affiliate or interfere with right to remove such director or officer.

## **13. NO CONTRACT OF EMPLOYMENT**

Nothing contained in the Deferred Share Unit Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or its affiliates nor interfere or be deemed to interfere in any way with any right of the Company or its affiliates to discharge any Participant at any time for any reason whatsoever, with or without cause.

## **14. ADJUSTMENT IN NUMBER OF PAYMENTS SUBJECT TO THE DEFERRED SHARE UNIT PLAN**

In the event there is any change in the Common Shares, whether by reason of a stock dividend, stock split, reverse stock split, consolidation, subdivision, reclassification or otherwise, an appropriate proportionate adjustment shall be made by the Committee with respect to the number of Deferred Share Units then

outstanding under the Deferred Share Unit Plan as the Committee, in its sole discretion, may determine to prevent dilution or enlargement of rights.

All such adjustments, as determined by the Committee, shall be conclusive, final and binding for all purposes of the Deferred Share Unit Plan.

**15. NO REPRESENTATION OR WARRANTY**

The Company makes no representation or warranty as to the future value of any rights under Deferred Share Units issued in accordance with the provisions of the Deferred Share Unit Plan. No amount will be paid to, or in respect of, an Eligible Director under this Deferred Share Unit Plan or pursuant to any other arrangement, and no additional Deferred Share Units will be granted to such Eligible Director to compensate for a downward fluctuation in the price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Director for such purpose.

**16. COMPLIANCE WITH APPLICABLE LAW**

If any provision of the Deferred Share Unit Plan or any Deferred Share Unit 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.

**17. INTERPRETATION**

This Deferred Share Unit Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

**18. UNFUNDED BENEFIT**

All DSU Payments to be made constitute unfunded obligations of the Company payable solely from its general assets and subject to the claims of its creditors. The Company has not established any trust or separate fund to provide for the payment of benefits hereunder.

## Schedule C

### Group Eleven Resources Corp

#### Restricted Share Unit Plan

#### 1. DEFINITIONS

For the purposes of this Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "**Act**" means the *Business Corporations Act* (British Columbia), or its successor, as amended, from time to time;
- (b) "**Affiliate**" means any company that is an affiliate of the Company as defined in National Instrument 45-106 – Prospectus and Registration Exemptions, as may be amended from time to time, or any entity designated to be an affiliate by the Committee for purposes of the Plan from time to time;
- (c) "**Associate**" where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (Ontario), as may be amended from time to time;
- (d) "**Beneficiary**" means any person designated by the Participant by written instrument filed with the Company to receive any amount payable under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate;
- (e) "**Board**" means the Board of Directors of the Company;
- (f) "**Broker**" means a broker who is independent (pursuant to the rules and policies of the TSX-V) of the Company and its Affiliate;
- (g) "**Cause**" in respect of a Participant means:
  - (i) the failure or willful refusal of the Participant to substantially perform his or her material duties and responsibilities, except as such results from the Disability of the Participant, that is not cured by the Participant within a reasonable period of written notification thereof to the Participant by the Company or, if applicable, an Affiliate;
  - (ii) the failure or willful refusal of the Participant to substantially perform his or her material duties, obligations and covenants under any non-compete or non-solicit agreements between the Participant and the Company or, if applicable, an Affiliate;
  - (iii) the willful usurping of any material business opportunity by the Participant;
  - (iv) any fraudulent or dishonest activity or serious misconduct by the Participant materially affecting the Company or, if applicable, an Affiliate, or in circumstances which would make the Participant unsuitable to continue to discharge his or her duties of employment;
  - (v) the conviction of the Participant for any crime involving fraud, dishonesty, misrepresentation or breach of trust;

- (vi) any willful and intentional act on the part of the Participant having the effect of materially injuring the reputation, business or business relationships of the Company or, if applicable, an Affiliate; or
- (vii) anything or any things constituting "cause" under applicable laws at the relevant time;

except that if, at the time of such Participant's on date of his or her termination, the Participant is party to an employment, severance, retention or similar contract or agreement with the Company or an Affiliate that contains a definition of the term "cause" or a similar term, the term "cause" shall have the meaning, if any, assigned thereto (or to such similar term) in such contract or agreement;

- (h) **"Change of Control"** means the occurrence of any one or more of the following events:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another Company or other entity, as a result of which the holders of Voting Securities prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor Company after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its Affiliates which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its Affiliates on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Affiliate in the course of a reorganization of the assets of the Company and its Affiliates;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (an **"Acquiror"**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);
  - (v) as a result of or in connection with: (A) a contested election of directors, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its Affiliates and another Company or other entity (a **"Transaction"**), fewer than 50% of the directors of the Company are persons who were directors of the Company immediately prior to such election or the Transaction; or
  - (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, **"Voting Securities"** means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of

directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- (i) "**Committee**" means the Board or, if the Board so determines in accordance with Section 6 of the Plan, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;
- (j) "**Company**" means Group Eleven Resources Corp, a Company existing under the Act, and includes any successor Company thereof;
- (k) "**Disability**" in respect of an Eligible Employee or an Eligible Director means such individual's physical or mental incapacity that prevents him or her from substantially fulfilling his or her duties and responsibilities on behalf of the Company or, if applicable, an Affiliate, and in respect of which the individual commences receiving, or is eligible to receive, disability benefits under the Company's or an Affiliate's short-term or long-term disability plan; except that if, at any relevant time, the individual is party to an employment, severance, retention or similar contract or agreement with the Company or an Affiliate that contains a definition of the term "disability" or a similar term, the term "disability" shall have the meaning, if any, assigned thereto (or to such similar term) in such contract or agreement;
- (l) "**Dividend Payment Date**" has the meaning ascribed to such term in Section 12;
- (m) "**Dividend Record Date**" has the meaning ascribed to such term in Section 12;
- (n) "**Eligible Contractor**" means any individual, other than an Eligible Director or Eligible Employee who: (i) is engaged to provide on a bona fide basis consulting, technical, management or other services to the Company or an Affiliate under a written contract between the Company or an Affiliate and the individual or a company of which the individual consultant is an employee; and (ii) 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;
- (o) "**Eligible Director**" means any individual who is a director of the Company or an Affiliate;
- (p) "**Eligible Employee**" means any individual who is a full-time or part-time employee of the Company or an Affiliate, including an officer of the Company or an Affiliate;
- (q) "**Employer**" in respect of a Participant means the entity which employs or receives services from, as applicable, such Participant, which may be the Company or an Affiliate;
- (r) "**Expiry Date**" means, with respect to any Restricted Share Unit, the date specified in the applicable Restricted Share Unit Grant Letter as the date on which the Restricted Share Unit will be terminated and cancelled or, if later or no such date is specified in the Restricted Share Unit Grant Letter, December 31 of the third (3rd) calendar year following the end of the Service Year;
- (s) "**Grant Date**" means the date that the particular Restricted Share Unit is granted to a Participant under the Plan, as evidenced by a Restricted Share Unit Grant Letter, and refers also to the date that any additional Restricted Share Unit is credited to the Participant pursuant to Section 12;
- (t) "**Insider**" has the meaning ascribed to such term in the Policy 1.1 – Definitions of the TSX-V, as may be amended from time to time;

- (u) **"Market Value"** means the greater of either: (a) the weighted average trading price of Shares on the TSX-V; and (b) the average of daily high and low board lot trading prices of the Shares on the TSX-V, for the five (5) consecutive trading days immediately prior to the date as of which Market Value is determined, provided that where the Market Value would be determined with reference to a period commencing after a fiscal quarter end of the Company and ending prior to the public disclosure of interim financial statements for such quarter (or annual financial statements in the case of the fourth quarter), the calculation of the Market Value will be made with reference to the fifth (5th) trading day immediately following the date of public disclosure of the financial statements for that quarter. If the Shares are not trading on the TSX-V, then the Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market on which the Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Shares as determined by the Committee in its sole discretion, acting reasonably;
- (v) **"Non-Employee Director"** means any individual who is a director of the Company or an Affiliate and who is not a full-time or part-time employee of the Company or an Affiliate;
- (w) **"Participant"** means each Eligible Employee, Eligible Director and Eligible Contractor to whom Restricted Share Units are granted hereunder;
- (x) **"Plan"** means this Restricted Share Unit Plan, as same may be amended from time to time;
- (y) **"Restricted Share Unit"** means a notional unit credited by means of an entry on the books of the Company to a Participant, representing the right to receive on the Vesting Date (a) a fully paid Share, or (b) at the option of the Company, a cash payment equal to the Market Value of a Share, in accordance with Sections One14 and One15;
- (z) **"Restricted Share Unit Award"** means an award of Restricted Share Units under the Plan to a Participant;
- (aa) **"Restricted Share Unit Grant Letter"** has the meaning ascribed to such term in Section 17;
- (bb) **"Security-Based Compensation Arrangements"** means this Plan and the Company's stock option plan as same may be in effect from time to time;
- (cc) **"Service Year"** has the meaning ascribed to such term in Section 11(b);
- (dd) **"Shares"** means the common shares in the capital of the Company, as adjusted in accordance with the provisions of Article One5 5;
- (ee) **"TSX-V"** means the TSX Venture Exchange; and
- (ff) **"Vesting Date"** has the meaning ascribed to such term in Section 13.

**1.1 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.

**1.2 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.

**1.3 References to this Plan:** The words "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.

**1.4 Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

## **2. PURPOSE**

The Plan provides for the payment of bonus compensation in the form of Shares or, at the option of the Company, cash by Participants for the purpose of advancing the interests of the Company and its Affiliates through the motivation, attraction and retention of Eligible Employees, Eligible Directors and Eligible Contractors and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Shares by Eligible Employees, Eligible Directors and Eligible Contractors, it being generally recognized that restricted share unit plans aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company. It is intended that, insofar as the Participants are Eligible Employees or Eligible Directors, neither the Plan nor any Restricted Share Units granted hereunder will constitute a "salary deferral arrangement" as defined in subsection 248(1) of the *Income Tax Act* (Canada) by reason of the exemption in paragraph (k) thereof. All Restricted Share Units granted hereunder shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received or receivable by any Participant who is an Eligible Employee or Eligible Director in respect of his or her services to the Company or an Affiliate, as applicable.

## **3. ADMINISTRATION**

The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants, the Company and its Affiliates. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made in good faith. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Company and its Affiliates.

## **4. MAXIMUM NUMBER OF SHARES:**

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 5, shall not exceed 2,000,000 Shares. Any Shares subject to a Restricted Share Unit which has been granted under the Plan and which has been cancelled or terminated in accordance with the terms of the Plan prior to such Restricted Share Unit being fully vested will again be available under the Plan.
- (b) The maximum number of Shares issuable to Insiders, at any time, pursuant to this Plan and all other Security-Based Compensation Arrangements of the Company is 10% of the total number of Shares then outstanding. The maximum number of Shares issued to Insiders, within any one-year period, pursuant to this Plan and all other Security-Based Compensation Arrangements of the Company is 10% of the total number of Shares then outstanding. Subject to the following provisions regarding Consultants and Investor Relations Persons, the aggregate number of DSU's granted under the DSU Plan in any 12 month period to any one participant, together with

all other security based compensation arrangements of the Company, must not exceed 5% of the then issued and outstanding Common Shares of the Company on a non-diluted basis.

The maximum number of RSU's which may be granted to any one Consultant within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant. No RSU's will be granted to Investor Relations Consultants under the RSU Plan.

- (c) For purposes of this Section 4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.
- (d) For purposes of this Section 4, the aggregate number of securities granted under all Security Based Compensation Arrangements of the Company will be calculated without reference to the initial securities granted under such arrangements to a person (who was not previously an insider of the Company or an Affiliate) upon such person becoming a director of the Company or an Affiliate.

## **5. ADJUSTMENT IN NUMBER OF SHARES SUBJECT TO THE PLAN**

In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Shares available under the Plan; and
- (b) the number of Shares subject to any Restricted Share Units.

If the foregoing adjustment shall result in a fractional Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

## **6. DELEGATION TO COMMITTEE**

All of the powers exercisable hereunder by the directors of the Company may, to the extent permitted by applicable law and as determined by resolution of the directors of the Company, be exercised by a committee of the Board comprised of not less than three (3) directors of the Company, including any compensation committee of the Board.

## **7. ROLE OF THE BROKER**

In the alternative to issuing Shares from treasury, the Affiliate that is the Employer of the Participant may pay funds to the Broker. The Broker shall use the funds received to purchase Shares in the market. Subject to Section 14, the Broker shall purchase the Shares as soon as practicable following receipt of the funds from the applicable Affiliate. Shares purchased in the market will be registered in the name of the Broker in a separate account held for the Participant's benefit. The Broker shall forward to each Participant confirmation that the Shares have been acquired for the benefit of the Participant.

## **8. RECORD KEEPING**

The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant; and
- (b) the number of Restricted Share Units granted to each Participant.

## 9. DETERMINATION OF PARTICIPANTS AND PARTICIPATION

The Committee shall from time to time determine the Eligible Employees, Eligible Directors and/or Eligible Contractors who may participate in the Plan. The Committee shall from time to time determine the Eligible Employees, Eligible Directors and/or Eligible Contractors to whom Restricted Share Units shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and its Affiliates and any other factors which the Committee deems appropriate and relevant.

## 10. RESTRICTED SHARE UNIT PLAN

The Plan is hereby established for Eligible Employees, Eligible Directors and Eligible Contractors.

## 11. GRANT OF RESTRICTED SHARE UNITS

- (a) The Company may from time to time grant Restricted Share Units to a Participant in such numbers, at such times and on such terms and conditions, consistent with the Plan, as the Committee may in its sole discretion determine.
- (b) For greater certainty, unless otherwise specified in the applicable Restricted Share Unit Grant Letter, the granting of Restricted Share Units to any Participant under the Plan in May to December of a calendar year will be awarded solely in respect of performance of such Participant in the same calendar year. Where Restricted Share Units are awarded in January to April of a particular calendar year, such bonus will be awarded solely in respect of performance of such Participant in the calendar year immediately preceding such award. The calendar year in respect of which the Restricted Share Units are granted is referred to herein as the "Service Year".
- (c) The number of Restricted Share Units awarded will be credited to the Participant's account, effective as of the Grant Date.

## 12. PAYMENT OF DIVIDEND EQUIVALENTS

Subject to the absolute discretion of the Committee and in accordance with this Section 12, the Committee may elect to credit, as a bonus for services rendered in the calendar year containing the payment date for cash dividends paid on Shares (the "**Dividend Payment Date**"), a Participant with additional Restricted Share Units. In such case, the number of additional Restricted Share Units so credited under this Section 12 will be equal to (computed to two (2) decimal places) the aggregate amount of dividends that would have been paid to the Participant if the Restricted Share Units in the Participant's account as of the record date for payment of such dividends (the "**Dividend Record Date**") had been Shares divided by the Market Value of a Share on the Dividend Payment Date.

The additional Restricted Share Units will vest on the Vesting Date of the particular Restricted Share Unit Award to which the additional Restricted Share Units relate.

## 13. VESTING

A Restricted Share Unit Award granted to a Participant for services rendered will entitle the Participant, subject to the Participant's satisfaction of any conditions, restrictions or limitations imposed under the Plan or Restricted Share Unit Grant Letter, to receive a payment in fully paid Shares or, at the option of the Company, in cash on the date when the Restricted Share Unit Award is fully vested (the "**Vesting Date**"), which date shall be no later than December 31 of the third calendar year following the Service Year applicable to the particular Restricted Share Unit Award (the "RSU Award").

Subject to the foregoing, the Committee shall, in its sole discretion, determine any and all conditions to the vesting of any Restricted Share Units granted to a Participant, which vesting conditions may be based on either or both of time and performance criteria as the Committee may determine in its sole discretion. Except as provided for in the Restricted Share Unit Grant Letter or as otherwise determined by the Committee:

- (a) in the event of the death of the Participant, all unvested Restricted Share Units credited to the Participant will vest on the date of the Participant's death. The Shares represented by the Restricted Share Units held by the Participant shall be issued or acquired in the open market by the Broker, or cash will be paid, as determined by the Committee, to or for the benefit of the Participant's estate as soon as practicable, in accordance with Sections 14 and 15;
- (b) in the event of the Disability of the Participant, all Restricted Share Units credited to the Participant which have not vested prior to the date on which the Participant is determined to be totally disabled will vest on the earlier of (i) the 60th day following the date on which the Participant is determined to be totally disabled and (ii) the Vesting Date otherwise applicable, and the Shares represented by Restricted Share Units held by the Participant shall be issued or acquired in the open market by the Broker, or cash will be paid, as determined by the Committee, to or for the benefit of the Participant as soon as practicable, in accordance with Sections 14 and 15;
  - (i) if a Participant shall cease to be employed by, or provide services to, the Company or an Affiliate (and is not or does not continue to be a director or employee thereof) as a result of termination without Cause, all unvested Restricted Share Units credited to the Participant shall vest on the date of termination, and the Shares represented by Restricted Share Units held by the Participant shall be issued or acquired in the open market by the Broker, or cash will be paid, as determined by the Committee, to or for the benefit of the Participant as soon as practicable, in accordance with Sections 14 and 15; and
  - (ii) if a Participant shall:
    - (A) cease to be a director of the Company or an Affiliate (and is not or does not continue to be an employee thereof) for any reason other than death or Disability, or
    - (B) cease to be employed by, or provide services to, the Company or an Affiliate (and is not or does not continue to be a director or employee thereof) for any reason other than death, Disability or termination without Cause,

all Restricted Share Units held by such Participant shall be forfeited and cancelled as of the date of termination, and the Participant shall have no entitlement to receive any payment in respect of such forfeited Restricted Share Units, or any other amount in respect of such forfeited Restricted Share Units, by way of damages, payment in lieu or otherwise.

#### **14. REDEMPTION – FULLY PAID SHARES TO THE PARTICIPANT**

Subject to Sections 15, the payment obligation in respect of any vested Restricted Share Units, net of any applicable taxes and other source deductions required to be withheld, will be settled, on the redemption of the Restricted Share Units, with the issue of fully paid Shares from treasury or by having the Broker acquire Shares in the open market (using funds paid to the Broker by the Affiliate that is the Employer of the Participant for such purpose) on behalf of the Participant in accordance with Section 7, in the event that the Company elects not to issue Shares from treasury. If, after the issuance of Shares or the purchase of Shares by the Broker in accordance with this Section 14, an amount remains payable in respect of the vested Restricted Share Units being redeemed, the applicable Affiliate shall pay such remaining amount in cash (net of any applicable taxes or other source deductions required to be withheld) to the Participant.

#### **15. REDEMPTION – CASH PAYMENT TO THE PARTICIPANT**

In the event that the Employer elects to satisfy its payment obligation in cash, on the Vesting Date, the Restricted Share Units shall be redeemed and paid by the Affiliate that is the Employer of the Participant to the Participant. The Market Value of the vested Restricted Share Units so redeemed shall, after deduction of any applicable taxes and other source deductions required to be withheld by the applicable Affiliate, be paid in cash.

#### **16. ADJUSTMENT**

For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Share Units will be granted to a Participant to compensate the Participant for any downward fluctuations in the price of a Share nor will any other form of benefit be conferred upon, or in respect of, a Participant for such a purpose.

Neither the Company nor any Affiliate will contribute any amounts to a third party or otherwise set aside any amounts to fund the benefits that will be provided under the Plan.

#### **17. RESTRICTED SHARE UNIT GRANT LETTER**

Each grant of a Restricted Share Unit Award under the Plan shall be evidenced by a Restricted Share Unit grant letter to the Participant from the Company (a "**Restricted Share Unit Grant Letter**"). Such Restricted Share Unit Grant Letter shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Restricted Share Unit Grant Letter. The provisions of the various Restricted Share Unit Grant Letters issued under the Plan need not be identical.

#### **18. PARTICIPANT CRITERIA**

The Committee shall establish criteria for the grant of Restricted Share Units to Eligible Employees, Eligible Directors and Eligible Contractors.

#### **19. CHANGE OF CONTROL**

If there is a Change of Control, all Restricted Share Units outstanding that are held by a Participant shall immediately vest on the date of such Change of Control notwithstanding the Vesting Date. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Company with respect to the consideration that the Participants would be entitled to receive for their Shares.

#### **20. ELECTION – SALE OF SHARES BY BROKER**

In the event that the payment obligation in respect of vested Restricted Share Units is settled in Shares, a Participant may direct to have the Broker sell such Shares on behalf of the Participant.

#### **21. EXPIRY DATE**

Notwithstanding any other provision of this Plan, all terms and conditions attaching to any Restricted Share Units shall be such that the Restricted Share Units comply with the exception in paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the *Income Tax Act* (Canada). No payment (in Shares, cash, or otherwise) in respect of any Restricted Share Unit shall be made after the Expiry Date.

**22. NECESSARY APPROVALS**

The Plan shall be subject to the approval of the shareholders of the Company to be given by a resolution passed at a meeting of the shareholders of the Company and acceptance by the TSX-V or any regulatory authority or stock exchange having jurisdiction over the securities of the Company.