

1911 GOLD CORPORATION
LONG-TERM INCENTIVE PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE OF THIS PLAN

1911 Gold Corporation (the “**Company**”) wishes to establish this long-term incentive plan (“**Plan**”). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Directors, Key Employees and Consultants of the Company and its Subsidiaries; (b) encouraging such Directors, Key Employees and Consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Directors, Key Employees and Consultants with the interests of the Company.

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

SECTION 2. DEFINITIONS

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

- (a) “**Affiliate**” has the meaning ascribed to such term under the policies of the Exchange;
- (b) “**Associate**” has the meaning ascribed to such term under the policies of the Exchange;
- (c) “**Award**” means any award of Restricted Share Units, Deferred Share Units, or Options granted under this Plan;
- (d) “**Award Agreement**” means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (e) “**Blackout Period**” means a period, formally imposed by the Company pursuant to its internal trading policies as a result of the *bona fide* existence of undisclosed Material Information (as such term is defined in Policy 1.1 of the Exchange), during which the Company prohibits Participants from exercising, redeeming or settling their Awards, and which expires following the general disclosure of such undisclosed Material Information.
- (f) “**Board**” means the board of directors of the Company;
- (g) “**Change of Control**” has the meaning ascribed to such term under the policies of the Exchange;
- (h) “**Committee**” means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (i) “**Company**” means 1911 Gold Corporation, a company existing under the *Business Corporations Act* (British Columbia), and any of its successors or assigns;
- (j) “**Consultant**” has the meaning ascribed to such term under the policies of the Exchange, and includes a company wholly owned by an individual Consultant and a Consultant Company as defined under the policies of the Exchange;
- (k) “**Current Market Price**” means the closing price of the Shares on the last Trading Day on which trading in the Shares took place immediately prior to the relevant exercise date;
- (l) “**Deferred Share Unit**” or “**DSU**” means a right to receive on a deferred basis a payment in either Shares or cash as provided in Section 5(c) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (m) “**Director**” means a member of the Board, and includes a company wholly-owned by such individual;

- (n) "**Disability**" means any medical condition which qualifies a Participant for benefits under a long-term disability plan of the Company or Subsidiary;
- (o) "**Discounted Market Price**" means the Current Market Price less the discount allowable pursuant to the policies of the Exchange;
- (p) "**Disinterested Shareholder Approval**" shall have the meaning ascribed thereto in the rules and policies of the Exchange, but generally means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted meeting of shareholders, excluding votes attached to Shares beneficially owned by Insiders to whom Awards may be granted under this Plan, the Persons who hold or will hold the Award in question and Associates and Affiliates of such Insiders and Persons;
- (q) "**Effective Date**" has the meaning ascribed thereto in Section 8;
- (r) "**Election Form**" means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in Deferred Share Units under this Plan;
- (s) "**Eligible Person**" means Directors, Key Employees, Consultants, and Management Company Employees;
- (t) "**Exchange**" means the TSX Venture Exchange, or such other exchange upon which the Shares of the Company may become listed for trading;
- (u) "**Exchange Hold Period**" means the four-month resale restriction imposed by the Exchange on the Shares, more particularly described in Exchange Policy 1.1;
- (v) "**Fees**" means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (w) "**Grant Date**" means, for any Award, the date specified by the Board as the grant date at the time it grants the Award or, if no such date is specified, the date upon which the Award was actually granted;
- (x) "**Insider**" has the meaning ascribed to such term under the policies of the Exchange;
- (y) "**Insider Participant**" means a Participant who is an (i) Insider of the Company or of a Subsidiary, and (ii) Associate of any person who is an Insider by virtue of (i);
- (z) "**Investor Relations Activities**" means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
 - A. to promote the sale of products or services of the Company, or
 - B. to raise public awareness of the Company,
 that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - A. applicable securities laws;
 - B. Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

- A. the communication is only through the newspaper, magazine or publication; and
 - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange;
- (aa) **"Investor Relations Service Provider"** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee (as such term is defined in Policy 4.4 of the Exchange) or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
 - (bb) **"Key Employees"** means Employees (as such term is defined in Policy 4.4 of the Exchange) who, by the nature of their positions or jobs are, in the opinion of the Board, in a position to contribute to the success of the Company, and companies wholly-owned by such Employees;
 - (cc) **"Management Company Employee"** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company.
 - (dd) **"Market Unit Price"** means the value of a Share determined by reference to the five-day volume weighted average closing price of a Share for the five (5) Trading Days immediately preceding the day on which trading in the Shares took place, or immediately preceding the exercise date of an Option;
 - (ee) **"Option"** means incentive share purchase options entitling the holder thereof to purchase Shares;
 - (ff) **"Participant"** means any Eligible Person to whom Awards under this Plan are granted;
 - (gg) **"Participant's Account"** means a notional account maintained for each Participant's participation in this Plan which will show any Restricted Share Units, Deferred Share Units, or Options credited to a Participant from time to time;
 - (hh) **"Person"** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
 - (ii) **"Restriction Period"** means the time period between the Grant Date and the Vesting Date of an Award of Restricted Share Units or Deferred Share Units specified by the Board in the applicable Award Agreement, which period shall be no less than 12 months, unless provided for in Policy 4.4 of the Exchange;
 - (jj) **"Restricted Share Unit" or "RSU"** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5(a) hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
 - (kk) **"Retirement"** means retirement from active employment with the Company or a Subsidiary with the consent of an officer of the Company or the Subsidiary;
 - (ll) **"Securities Act"** means the *Securities Act*, RSBC 1996, chapter 418, as amended, from time to time;
 - (mm) **"Security-Based Compensation Arrangement"** shall have the meaning ascribed thereto in the rules and policies of the Exchange, or in the event that such term is not defined in the rules and policies of the Exchange, shall mean a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, Insiders, service providers or Consultants of the Company or a Subsidiary, including a share purchase from treasury by a full-time employee, officer, Insider, service provider or Consultant;
 - (nn) **"Shares"** means the common shares of the Company;
 - (oo) **"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

(pp) "**Termination Date**" means, as applicable: (i) in the event of a Participant's Retirement, voluntary termination or termination of employment as a result of a Disability, the date on which such Participant ceases to be an employee of the Company or a Subsidiary; and (ii) in the event of termination of the Participant's employment by the Company or a Subsidiary, the date on which such Participant is advised by the Company or a Subsidiary, in writing or verbally, that his or her services are no longer required;

(qq) "**Trading Day**" means any date on which the Exchange is open for trading; and

(rr) "**Vesting Date**" means in respect of any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

SECTION 3. ADMINISTRATION

(a) **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.

(b) **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.

(c) **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company.

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

SECTION 4. SHARES AVAILABLE FOR AWARDS

(a) LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.

(i) The aggregate number of Shares issuable under this Plan in respect of Awards shall not exceed 10% of the Company's issued and outstanding common shares at the Grant Date.

(ii) So long as it may be required by the rules and policies of the Exchange:

A. the total number of Shares issuable under this Plan in respect of all Awards granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Shares at any point in time;

B. the total number of Shares issuable under this Plan in respect of all Awards, in any 12-month period to Insiders (as a group) shall not exceed 10% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to any Insider, unless the Company has obtained the requisite disinterested Shareholder approval;

C. the total number of Shares issuable under this Plan in respect of all Awards, in any 12-month period to any one Participant shall not exceed five (5%) percent of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Participant, unless the Company has obtained the requisite Disinterested Shareholder Approval;

- D. the total number of Shares issuable to any Consultant under this Plan in respect of all Awards, in any 12-month period shall not exceed two (2%) percent of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Consultant; and
 - E. the total number of Options issuable to Participants who are Investor Relations Service Providers in aggregate shall not exceed two (2%) percent of the issued and outstanding Shares in any 12-month period.
- (iii) Investor Relations Service Providers may only receive Options as Awards under this Plan;
 - (iv) Any Award granted or issued to any Participant who is a Director, Officer, Employee, Consultant or Management Company Employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Plan.
 - (v) Pursuant to the policies of the Exchange, the Exchange Hold Period will be applied to Shares issuable under this Plan and any certificate(s) representing those Shares will include a legend stipulating that the Shares issued are subject to a four-month Exchange Hold Period commencing from the Grant Date.
- (b) **ACCOUNTING FOR AWARDS.** For purposes of this Section 4:
- (i) If an Award is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting Awards under this Plan; and
 - (ii) Notwithstanding anything herein to the contrary, any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, or are exchanged with the Board's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for granting Awards under this Plan.
- (c) **ANTI-DILUTION.** If the number of outstanding Shares is increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number and price (or other basis upon which an Award is measured) of RSUs, DSUs, and/or Options credited to a Participant. Any adjustment, other than in connection with a security consolidation or security split, to an Award granted or issued under a Security Based Compensation Arrangement must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.
- (d) **FORMER PLANS.** From and after the Effective Date, all prior long-term incentive plans of the Company shall be cancelled and deemed to be cancelled, and all awards granted thereunder shall be governed and deemed to be governed by the provisions of this Plan as existing Awards governed by the terms of this Plan.
- (e) **ELIGIBILITY AND PARTICIPATION.** For all Awards granted or issued to Participants, both the Company and the Participant are responsible for ensuring and confirming that the Participant is a *bona fide* Director, Key Employee, Consultant or Management Company Employee, as the case may be, at the time of such grant.

SECTION 5. AWARDS

(a) RESTRICTED SHARE UNITS

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs to Participants. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. In no event shall the value of the RSU be lower than the Discounted Market Price. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of RSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.

- (ii) **RESTRICTIONS.** RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- (iii) **VESTING.** All RSUs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement. No RSU may vest before the date that is one (1) year following the date it is granted or issued, unless a Participant dies, or ceases to be an eligible Participant under this Plan in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.
- (iv) **CHANGE OF CONTROL.** In the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Section 5(a)(x) hereof.
- (v) **DEATH.** Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, may be vested in the Participant without further action and without any cost or payment at the sole discretion of the Board or the Committee, as the case may be. Any RSUs vested in such Participant, including those vested after the Participant's death pursuant to the exercise of the Board's discretion, will accrue to the Participant's estate in accordance with Section 5(a)(x) hereof, provided that the Participant's estate makes a claim for such vested RSUs within 12 months of the date of death.
- (vi) **TERMINATION OF EMPLOYMENT.**
 - A. Where, in the case of a Key Employee, a Participant's employment is terminated by the Company or a Subsidiary for cause, all RSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date.
 - B. Where, in the case of a Key Employee, a Participant's employment terminates by reason of termination by the Company or a Subsidiary without cause, by voluntary termination or due to Retirement by the Participant, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination or Retirement, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.
 - C. Upon termination of a Participant's employment with the Company or a Subsidiary, the Participant's eligibility to receive further grants of Awards of RSUs under this Plan shall cease as of the Termination Date.
- (vii) **DISABILITY.** Where, in the case of a Key Employee, a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Key Employee's employment is terminated due to Disability, all RSUs granted to the Participant under this Plan that have not vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Termination Date, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to Disability, had vested pursuant to terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.
- (viii) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately

terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date the Participant ceases to be a Director, provided, however, that any RSUs granted to such Participant which, prior to the Participant ceasing to be a Director for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Section 5(a)(x) hereof.

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

(x) **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of RSUs, the Company shall issue from treasury to the Participant, or if Section 5(a)(v) applies, to the Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such RSUs.

(b) DEFERRED SHARE UNITS

(i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of DSUs to Directors. DSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each DSU shall, contingent upon the lapse of any restrictions, represent one (1) Share. The number of DSUs granted pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.

(ii) **RESTRICTIONS.** DSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.

(iii) **CHANGE OF CONTROL.** In the event of a Change of Control, all restrictions upon any DSUs shall lapse immediately and all such DSUs shall accrue to the Participant in accordance with Section 5(b)(v) hereof.

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

(v) **PAYMENT OF AWARD.** Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be a Director, or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date as the Participant and the Company may agree, which date shall be no later than the end of the calendar year following the year in which the Participant ceases to be a Director, or any earlier period on which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be a Director, or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Board, either:

- A. that number of Shares equal to the number of DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company; or
- B. a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be a Director or officer of the DSUs credited to a Participant's Account, net of applicable withholdings.

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

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

(c) **OPTIONS**

- (i) **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may determine, the Board may, from time to time, in its discretion, grant Awards of Options to Participants. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan.
- (ii) **EXERCISE PRICE.** The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the Discounted Market Price. The Board shall not reprice or extend the term of any Options previously granted under this Plan, except in accordance with the rules and policies of the Exchange. For greater certainty, the Company will be required to obtain Disinterested Shareholder Approval in respect of any reduction in the exercise price or extension of the term of Options granted to any Participant if the Participant is an Insider at the time of the proposed reduction, if and to the extent required by the rules and policies of the Exchange.
- (iii) **TIME AND CONDITIONS OF EXERCISE.** The Board shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under this Plan shall not exceed ten years. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- (iv) **EVIDENCE OF GRANT.** All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- (v) **EXERCISE.** The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the optionee within a reasonable time following the receipt of such notice and payment. Neither the optionee nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such optionee under the terms of this Plan.
- (vi) **VESTING.** All Options granted to any Investor Relations Service Provider will vest and become exercisable in stages over a period of not less than twelve (12) months, with no more than one-quarter (1/4) of such Options vesting and becoming exercisable in any three (3) month period.
- (vii) **CHANGE OF CONTROL.** In the event of a Change of Control, each outstanding Option issued to Directors, Key Employees and Consultants, to the extent that it shall not otherwise have become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become

fully and immediately vested and exercisable, without regard to any otherwise applicable vesting requirement, but subject to the policies of the Exchange.

- (viii) **DEATH.** Where, in the case of Directors and Key Employees, a Participant shall die while an optionee, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.
- (ix) **TERMINATION OF EMPLOYMENT.**
- A. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary for cause, no Option held by such Participant shall be exercisable from the Termination Date.
- B. Where, in the case of Key Employees, a Participant's employment is terminated by the Company or a Subsidiary without cause, by voluntary termination by the Participant or due to Retirement, subject to the applicable Award Agreement, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the Termination Date (subject to any longer period set out in the applicable Award Agreement, which period shall not, in any event, exceed 12 months from the Termination Date) or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
- C. Where, in the case of Key Employees, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where, in the case of Key Employees, a Participant's employment is terminated due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Termination Date or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the Termination Date.
- (x) **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, subject to the applicable Award Agreement and the provisions below, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 60 days after the date the Participant ceases to be a director or prior to the expiration of the Option in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date the Participant ceased to be a director. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Participant ceases to be a Director or prior to the expiration of the option period in respect of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date the Participant ceased to be a director.
- (xi) **TERMINATION OF SERVICE.** Where, in the case of Consultants, a Participant's service to the Company terminates for any reason, subject to the applicable Award Agreement and any other contractual commitments between the Participant and the Company, no Option held by such Participant shall be exercisable from the date of termination of service.
- (d) **GENERAL TERMS APPLICABLE TO AWARDS**
- (i) **FORFEITURE EVENTS.** The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction,

cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

- (ii) **AUTOMATIC EXTENSION DURING BLACKOUT PERIOD.** Notwithstanding any other provision of this Plan, each Award of which the expiry date, redemption date or settlement date, as applicable, falls within a Blackout Period shall be automatically extended for a number of days to be determined by the Board in its sole discretion, provided that all affected Participants shall receive such extension on the same terms and conditions and that in no case shall the affected Awards be extended to later than ten (10) business days after the expiry of the Blackout Period.
- (iii) **AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER.** Without limiting Section (5)(d), Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other Security-Based Compensation Arrangement of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other Security-Based Compensation Arrangement of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.
- (iv) **NON-TRANSFERABILITY OF AWARDS.** Except as otherwise provided for in this Plan, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.
- (v) **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Security-Based Compensation Arrangements; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- (vi) **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (vii) **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.

SECTION 6. AMENDMENT AND TERMINATION

- (a) **DIRECTOR AND SHAREHOLDER APPROVAL OF PLAN.** This Plan must be approved by a majority of the Company's directors at the time it is implemented and at the time of any amendment. This Plan must also be approved by the Company's Shareholders at the time it is implemented and upon any changes to the total number of Shares issuable under the Plan. Any Awards granted under this Plan prior to receipt of Shareholder approval will not be exercisable or binding on the Company unless and until such approvals are obtained.

- (b) **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law. Notwithstanding the foregoing, shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
- (i) amendments of a housekeeping nature;
 - (ii) amendments to fix typographical errors; and
 - (iii) amendments to clarify existing provisions of a Security Based Compensation Arrangement that do not have the effect of altering the scope, nature and intent of such provisions.

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

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

SECTION 7. GENERAL PROVISIONS

- (a) **NO RIGHTS TO AWARDS.** No Director, Key Employee, Consultant or other Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Directors, Key Employees, Consultant or holders or beneficiaries of Awards under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient.
- (b) **WITHHOLDING.** Subject to compliance with Policy 4.4 of the Exchange, the Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:
- (i) electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
 - (ii) delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

- (c) **NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS.** Subject to compliance with Policy 4.4 of the Exchange, nothing contained in this Plan shall prevent the Company from adopting or continuing in effect other Security-Based Compensation Arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- (e) **NO RIGHT AS SHAREHOLDER.** Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- (f) **GOVERNING LAW.** This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (g) **SEVERABILITY.** If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- (h) **NO TRUST OR FUND CREATED.** Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- (i) **NO FRACTIONAL SHARES.** No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- (j) **HEADINGS.** Headings are given to the Sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- (k) **NO REPRESENTATION OR WARRANTY.** The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.
- (l) **NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION.** Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.
- (m) **CONFLICT WITH AWARD AGREEMENT.** In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.
- (n) **COMPLIANCE WITH LAWS.** The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

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

SECTION 8. EFFECTIVE DATE OF THIS PLAN

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