

**ELECTRIC ROYALTIES LTD.**  
14<sup>th</sup> Floor, 1040 West Georgia Street  
Vancouver, B.C. V6E 4H1  
Telephone No. (604) 639-9200  
Fax No. (604) 684-8092

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (“**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Electric Royalties Ltd. (the “**Company**”) (formerly Rebel Capital Inc.) will be held at 14<sup>th</sup> Floor, 1040 West Georgia Street, Vancouver, B.C. V6E 4H1 on March 14, 2025 at 10:00 AM (Vancouver time) for the following purposes:

1. to receive and consider the annual financial statements of the Company for the fiscal year ended December 31, 2023, together with the report of the auditors thereon;
2. to set the number of directors of the Company to be elected at the Meeting at four;
3. to elect directors of the Company for the ensuing year;
4. to appoint Deloitte LLP as auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
5. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the continuation of the Company’s amended stock option plan, (the “**Share Option Plan**”) as more particularly described in the accompanying management information circular (the “**Information Circular**”);
6. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Non-Employee Director Deferred Share Unit Plan (the “**DSU Plan**”), as amended by the Board of Directors on January 14, 2025, as more particularly described in the Information Circular;
7. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying and approving the Company’s Restricted Share Unit Plan (the “**RSU Plan**”), as amended by the Board of Directors on January 14, 2025, as more particularly described in the Information Circular;
8. to consider and, if thought fit, to pass a special resolution to amend the Company’s Articles, subject to approval from the TSX Venture Exchange, to provide the Company with additional flexibility to alter the Company’s authorized share structure; and
9. to transact such further or other business as may properly come before the Meeting or any adjournments thereof.

Information relating to the matters to be brought before the meeting is set forth in the Information Circular, a copy of which is available at <http://www.sedarplus.ca>.

**DATED** this 12<sup>th</sup> day of February, 2025.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Marchand Snyman”*

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Marchand Snyman  
Chairman

**Electric Royalties Ltd.**  
14<sup>th</sup> Floor, 1040 West Georgia Street  
Vancouver, B.C. V6E 4H1  
Telephone No. (604) 639-9200/ Fax No. (604) 684-8092

**INFORMATION CIRCULAR**  
as at January 24, 2025 *(except as otherwise indicated)*

**This information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of Electric Royalties Ltd. (the “Company”) (formerly Rebel Capital Inc.) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on March 14, 2025 at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.**

In this Information Circular, references to “**the Company**”, “**we**” and “**our**” refer to Electric Royalties Ltd.. “**Common Shares**” means common shares without par value in the capital 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 hold securities on behalf of Beneficial Shareholders.

**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 proxy materials to beneficial owners of the Common Shares 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 directors or officers 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 need not be a shareholder, to attend and act on your behalf at the Meeting. You may do so either by inserting the name of that other person, and that person may be you, in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy. If your Common Shares are actually registered in your name, then you are a “Registered Shareholder”. However, if like most shareholders you keep your Common Shares in a brokerage account, then you are a Beneficial Shareholder and the manner for voting is different than for Beneficial Shareholders. Please read the instructions below carefully.**

**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,
- (b) any amendment to or variation of any matter identified therein, and

(c) any other matter that may properly come before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, TSX Trust Company of Canada ("**TSX Trust**"), by fax at 416-595-9593, or by mail to the suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1 Canada; or
- (b) using the internet via the website voting page of TSX Trust at following website address: [www.voteproxyonline.com/pxlogin?lang=en](http://www.voteproxyonline.com/pxlogin?lang=en). Registered Shareholders must follow the instructions provided at the voting page and refer to the enclosed Proxy for the holder's control number and the proxy access number.

In all cases a Registered Shareholder must ensure that the completed proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment 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 (those whose names appear on the records of the Company as the registered holders of Common Shares) 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 the shareholder's broker or an agent of that broker. 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). In the United States of America (the "**United States**"), the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

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

There are two kinds of beneficial owners - those who object to their name 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 who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is taking advantage of provisions of National Instrument 54-101, which allow 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 TSX Trust, our transfer agent. VIFs are to be completed and returned to TSX Trust following the instructions using one of the methods detailed on the VIF. TSX Trust tabulates results of VIFs received from NOBOs and provides appropriate instructions at the Meeting concerning Common Shares represented by VIFs they received prior to the Meeting.

Securityholder materials are sent to both registered and non-registered owners of the Company's securities. If you are a non-registered owner, and the Company or its agent 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 (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions.

Management of the Company does not intend to pay for intermediaries to forward proxy-related materials to OBOs. If you are an OBO you will not receive the proxy-related materials unless your intermediary assumes the cost of delivery. If you are an OBO please follow the instructions of your intermediary carefully to ensure your Common Shares are voted at the Meeting.

The form of proxy 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 on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada and the United States. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge following Broadridge's instructions using one of the methods detailed on the VIF. Broadridge then tabulates results of all instructions received and provides appropriate instructions concerning voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted as per your instructions, or (b) to have an alternate representative you have chosen, if any, duly appointed to attend and vote your Common Shares on your behalf at the Meeting.**

#### **NOTICE TO SHAREHOLDERS IN THE UNITED STATES**

The solicitation of proxies and the transactions contemplated in this Information Circular involve 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 the 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 the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the 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)* ("**BCBCA**"), as amended, certain of its directors and its executive officers are residents of Canada and a 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 the jurisdiction of, or a judgment by, a United States court.

#### **REVOCAION 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 shown on the preceding page or at the address of the registered office of the Company at Suite 2400, 745 Thurlow Street Vancouver BC V6E 0C5 Canada, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, 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.

Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out above.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

#### **RECORD DATE AND QUORUM**

The board of directors of the Company (the "**Board**") has fixed January 24, 2025, 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 attend the Meeting personally or 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.

Under the Articles of the Company, the quorum for the transaction of business at a meeting of shareholders is one or more shareholders who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least 10% of the issued Common Shares entitled to be voted at the meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Common Shares. The Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**"). As of the Record Date, there were 116,798,919 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders 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, no person or corporation 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 as at the Record Date, except for the following:

<b>Shareholder Name</b>	<b>Number of Common Shares Held<sup>(1)</sup></b>	<b>Percentage of Issued Common Shares</b>
Globex Mining Enterprises Inc. <sup>(1)</sup>	13,333,667	11.42%
Stefan Gleason <sup>(1)</sup>	29,917,801	25.61%

Notes:

(1) The above information was obtained by the Company from insider reports filed at [www.sedi.ca](http://www.sedi.ca).

## **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the fiscal year ended December 31, 2023, the report of the auditor and the related management's discussion and analysis will be placed before the Meeting. Copies of the documents may be obtained by a shareholder upon request without charge from Investor Relations, Electric Royalties Ltd., 14<sup>th</sup> Floor, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1, telephone: (604) 639-9200 or [investorrelations@electricroyalties.com](mailto:investorrelations@electricroyalties.com). These documents are also available under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## **VOTES NECESSARY TO PASS RESOLUTIONS**

Except as otherwise described 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 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.

## **BUSINESS OF THE MEETING**

### **1. ELECTION OF DIRECTORS**

The size of the Board was last set at the Company's last annual general meeting and the Company currently has five directors. Marchand Snyman has decided not to stand for re-election at the upcoming Meeting. The Board has considered its size in light of Mr. Snyman's decision not to stand for re-election and in light of the Company's goals and has determined that four directors should be elected by the Shareholders. At the Meeting the Shareholders will be asked to approve an ordinary resolution to set the number of persons to be elected to the Board at four.

Of the director nominees listed below, all four are directors of the Company and have agreed to stand for election. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is vacated earlier in accordance with provisions of the BCA, each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company or, if no director is then elected, until a successor is elected or appointed.

### **Management's Director Nominees**

The Board has determined that four directors be elected to the Board at the Meeting. The following disclosure and accompanying biographical information sets out the names of management's four nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years, the period of time during which each has been a director of the Company, and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction. The information as to Common Shares and options beneficially owned or controlled is based on insider reports filed on [www.sedi.ca](http://www.sedi.ca) as at the date of this Information Circular:

Name of Nominee; Current Position with the Company, and Province or State and Country of Residence	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled	
Brendan Yurik President, CEO and Director British Columbia, Canada	Since June 24, 2020	3,519,219 2,300,000 138,889	Shares Options Warrants
Craig Lindsay <sup>(1), (2), (3)</sup> Director British Columbia, Canada	Since September 16, 2016	352,000 800,000	Shares <sup>(4)</sup> Options
Robert Schafer <sup>(1), (2), (3)</sup> Director Utah, USA	Since June 24, 2020	850,000 650,000	Shares Options
Stefan Gleason <sup>(1), (3)</sup> Director North Carolina, USA	Since December 2023	29,917,801 200,000 138,889	Shares <sup>(5)</sup> Options Warrants

Notes:

- (1) Member of the Audit and Risk Committee. Mr. Lindsay serves as Chair.
- (2) Member of the Nominating and Governance Committee. Mr. Snyman serves as Chair.
- (3) Member of the Compensation Committee. Mr. Schafer serves as Chair.
- (4) Mr. Lindsay's Common Shares are indirectly held by Arbutus Grove Capital Corp., a private company controlled by Mr. Lindsay.
- (5) Mr. Gleason's Common Shares are indirectly held by Gleason & Sons LLC., a private company controlled by Mr. Gleason, and various trust and registered accounts.

### Biographical Information of Nominees for Director

The following information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Where stated, "CEO" stands for "Chief Executive Officer" and "CFO" stands for Chief Financial Officer.

#### Brendan Yurik – President, Chief Executive Officer and Director

Founder and CEO of Evenor Investments Ltd., a financial advisory group to junior mining companies for alternative financing, debt, equity and M&A with experience on over \$2 billion in mining financing transactions throughout his career. Prior global experience as a research analyst as well as in business development and mining financial advisory roles with Endeavour Financial, Cambrian Mining Finance Ltd., Northern Vertex Mining Corp. and King & Bay West Management Corp.

Mr. Yurik is, or was within the past five years, an officer and/or director of the following public companies:

Company	Market	Positions Held	From	To
Electric Royalties Ltd.	TSXV	President, CEO and Director	June 2020	Present

#### Craig Lindsay, MBA, CFA – Director

Mr. Lindsay is Managing Director of Arbutus Grove Capital Inc. He was the Founder and CEO of Otis Gold Corp. (TSXV: 000) until its merger with Excellon Resources Inc. in April 2020. Prior to Otis, he was Founder and CEO of Magnum Uranium Corp. and led its sale to Energy Fuels Inc. He is a current director of Excellon Resources Inc. (TSX: EXN), VR Resources Ltd. (TSXV: VRR), Alianza Minerals Ltd. (TSXV: ANZ) and Revolve Renewable Power Corp. (TSXV: REVV). Mr. Lindsay has in excess of 25 years of experience in corporate finance, venture capital and public company management.

Mr. Lindsay is, or was within the past five years, an officer and/or director of the following public companies:

Company	Market	Positions Held	From	To
Electric Royalties Ltd.	TSXV	Director	September 2016	Present
Otis Gold Corp.	TSXV	CEO and Director	April 2007	April 2020
Silver North Resources Ltd.	TSXV	Director	November 2008	Present
Revolve Renewable Power Corp.	TSXV	Director	April 2022	Present
VR Resources Ltd.	TSXV	Director	March 2017	Present
Excellon Resources Inc.	TSX, NYSE American	Director	April 2020	Present

#### **Robert Schafer - Director**

Mr. Schafer is the Chief Executive Officer of Eagle Mines Management, a mineral resources exploration and business development advisory group and investment vehicle. Mr. Schafer was a director of International Royalty Corp. (sold for \$800 million to Royal Gold) and has more than 30 years of experience working internationally in business development roles with major and junior mining companies as well as Past-President of the Prospectors and Developers Association of Canada (PDAC) and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and Past Chairman of the Canadian Mining Hall of Fame. Serves as a director of a number of public resource companies.

Mr. Schafer is, or was within the past five years, an officer and/or director of the following public companies:

Company	Market	Positions Held	From	To
Electric Royalties Ltd.	TSXV	Director	June 2020	Present
Amur Minerals Company	AIM	Director	April 2004	Present
Volcanic Gold Inc.	TSXV	Director	March 2017	Present
Trigon Metals Inc.	TSXV	Director	April 2017	August 2019
Orosur Mining Inc.	TSX	Director	July 2018	April 2020
Renaissance Gold Inc.	TSXV	Director	March 2020	October 2020
U.S. Gold Corp	NASDAQ	Director	November 2020	Present
United Lithium Corp.	CSE	Director	February 2021	Present
Temas Resources Corp.	CSE	Director	November 2021	January 2023

#### **Stefan Gleason- Director**

Mr. Gleason is President and majority owner of Money Metals Exchange LLC, a privately held company that is among largest precious metals dealers and depositories in North America with over C\$1 billion in annual revenues. He is also Managing Director of Gleason & Sons LLC, a Charlotte, N.C.-based family limited liability company which holds and manages debt, equity, and real estate investments. With past appearances on U.S. television networks such as CNN, FoxNews, Fox Business, and CNBC, Mr. Gleason is also a regular columnist for Seeking Alpha and Investing.com and has been published by the Wall Street Journal, Newsweek, Mining.com and TheStreet, among other publications.

Company	Market	Positions Held	From	To
Electric Royalties Ltd.	TSXV	Director	December 2023	Present



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, except the directors and senior officers of the Company acting solely in such capacity.

*Bankruptcies, Penalties, Sanctions or Cease Trade Orders*

Except as disclosed below, within the 10 years preceding the date of this Information Circular, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) or acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has 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;
- (d) subject to 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
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Robert Schafer was appointed as a director of United Lithium Corp. (“**United Lithium**”) in February 2021. On July 26, 2021 United Lithium disclosed that, following a review by the British Columbia Securities Commission (the “**BCSC**”) in connection with a short form base shelf prospectus filed by United Lithium on July 2, 2021, the BCSC had determined that United Lithium’s previously filed material change report dated October 16, 2020 in respect of the amalgamation between its wholly owned subsidiary, 1263391 B.C. Ltd. (“**126**”), and 1257590 B.C. Ltd. (“**125**”), pursuant to which United Lithium issued 11,500,000 shares to former shareholders of 125 and indirectly acquired 125’s option to acquire up to 100% of the Barbara Lake Lithium property, was incomplete. As a result, the BCSC issued a cease trade order against United Lithium, and its securities were halted from trading on the Canadian Securities Exchange. Bob Schafer joined the board of directors of United Lithium Corp. in February, 2021, some four months after the October 2020 material change report was filed, and was unaware of the events that led to the issuance of the cease trade order when he was appointed as a director of United Lithium. The disclosure issues were resolved to the satisfaction of the BCSC and the cease trade order was rescinded on August 26, 2021.

**Multiple Directorships**

Other than Mr. Yurik and Mr. Gleason, the directors of the Company also serve as directors of other companies in the mining and resource sector. It may occur from time to time that, as a consequence of a particular director’s activity in the mineral industry and serving on such other boards, a director may become aware of potential resource property opportunities which are of interest to more than one of the companies on whose boards that person serves. Furthermore, it is possible that the directors of the Company and the directors of one or more such other companies (many of which are described herein) may also agree to allow joint participation on the properties on which the Company holds royalties, or the properties of that other company.

Accordingly, situations may arise in the ordinary course, which involve a director in an actual or potential conflict of interest as well as issues in connection with the general obligation of a director to make corporate opportunities available to the company whose board the director serves. In all such events, any director is required to disclose a financial interest in a contract or transaction by virtue of office, employment or security holdings or other such interest in another company or in a property interest under consideration by the Board, and is obliged to abstain from voting as a director of the Company in respect of any transaction involving that other company or in respect of any property in which an interest is held by him. The directors will use their best business judgment to help avoid situations where conflicts or corporate opportunity issues might arise and they must at all times fulfil their duties to act honestly and in the best interests of the Company as required by law.

## **2. APPOINTMENT OF AUDITOR**

Deloitte LLP (“**Deloitte**”), Chartered Professional Accountants, and Independent Registered Public Accounting Firm, Suite 2000, 410 West Georgia Street, Vancouver, British Columbia, will be nominated at the Meeting for appointment as auditor of the Company. Deloitte was first appointed auditor of the Company in 2020.

## **3. APPROVAL OF AMENDED AND RESTATED SHARE OPTION PLAN**

### **Introduction**

The Company has a share option plan dated for reference November 18, 2021 and amended December 11, 2023 (the “**Share Option Plan**”), which provides that the aggregate number of securities reserved for issuance will be 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Share Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder.

The purpose of the Share Option Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Company and any subsidiaries with an opportunity to purchase Common Shares of the Company and benefit from any appreciation in the value of the Company’s Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The Share Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares, as permitted by the policies of the TSXV. As at January 24, 2024, this represents 11,679,891 Common Shares available under the Share Option Plan, of which 8,081,000 are issued and 3,598,891 are reserved and available for issuance under the Share Option Plan.

Under the Share Option Plan, the option price must not be less than the exercise price permitted by the TSXV. The current policies of the TSXV state that the option price must not be less than the closing prices of the Common Shares listed on the TSXV on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSXV. An option must be exercised within a period of ten years from the date of granting. Within this ten year period, the Board may determine the limitation period during which an option may be exercised. Any amendment to the Share Option Plan requires the approval of the TSXV and may require shareholder approval.

### **Material Terms**

The Share Option Plan is administered by the Board or, if appointed, by a special committee of directors appointed from time to time by the Board. The following is a summary of the material terms of the Share Option Plan.

#### *Eligible Participants*

Options may be granted to Service Providers, as such term is defined in the Share Option Plan. Subject to the limitations described herein, the Board shall grant options to eligible participants at such time and in such amount as it from time to time determines.

*Maximum Term*

The maximum term of any option shall not exceed ten years from the date the option is granted, subject to extension in the case of unexercised options that would otherwise expire during a blackout period.

*Exercise Price*

The exercise price of any options granted under the Share Option Plan shall be determined by the Board in its sole discretion, provided, however, that the exercise price shall not be less than the closing trading price of the Common Shares on the TSXV on the day immediately prior to the grant date, less any discount permitted by the TSXV or such other price as may be required by the TSXV. The exercise price cannot be set at less than \$0.05 per share without the prior approval of the TSXV.

*Vesting*

Subject to any vesting restrictions imposed by the TSXV, the Board may, in its sole discretion, determine the vesting conditions that will apply to any option granted under the Share Option Plan. Stock options granted to parties retained to provide Investor Relations Activities, as such term is defined in Policy 1.1 of the TSX Venture Policies, must vest in stages over a period of no less than 12 months, with no more than 25% of such options vesting in any three-month period.

*Transfer or Assignment*

Stock options granted under the Share Option Plan may not be assigned or transferred, provided that a personal representative may exercise a stock option on behalf of an option holder.

*Shares Available for Issuance*

The maximum aggregate number of Common Shares that may be reserved for issuance under the Share Option Plan at any point is 10% of the outstanding Common Shares, less any Common Shares reserved for issuance under share compensation agreements other than the Share Option Plan. When a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of underlying shares which have not been issued pursuant to that expired or terminated stock option again become available for the purposes of the Share Option Plan. This means that the Share Option Plan is considered a “rolling” stock option plan, as the number of shares available for issue increases with the number of the Company’s issued and outstanding shares.

*Limitations on the Grant of Stock Options*

In addition to the restriction on the aggregate number of Common Shares that may be reserved for issuance at any time under the Share Option Plan as described immediately above, no more than:

- 10% of the outstanding Common Shares at any point in time may be granted to insiders, as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company (“**Insiders**”), (as a group);
- 10% of the outstanding Common Shares in any 12-month period may be granted to Insiders (as a group);
- 2% of outstanding Common Shares may be granted to Service Providers retained to provide Investor Relations Activities in any 12-month period; and
- 2% of outstanding Common Shares may be granted to Consultants, as such term is defined in the Share Option Plan, in any 12-month period.

### *Expiration or Termination*

If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death or disability), as the case may be, then the option granted shall expire on no later than the 90<sup>th</sup> day following the date that the option holder ceases to be a director or ceases to be employed by the Company, subject to the terms and conditions set out in the Share Option Plan. However, if the option holder is engaged in Investor Relations Activities, the options shall expire within 30 days after the option holder ceases to be employed by the Company to provide Investor Relations Activities, in accordance with the policies of the TSXV.

If an option holder is dismissed from service or employment for cause, all options held by the option holder, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same.

### *Disinterested Shareholder Approval*

Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an Insider; (ii) any extension in the exercise period of an outstanding option, if the option holder is an Insider; and (iii) any grant of options to Insiders, within a 12-month period, exceeding 10% of the Company's issued Common Shares.

### *Manner of Exercise*

Participants may be granted the right to exercise options on a cashless or net exercise basis.

### *Reclassification of Options*

Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

## **Share Option Plan Resolution**

The Share Option Plan is subject to annual shareholder approval and TSXV acceptance to its filing. At the Meeting, shareholders will be asked to consider and, if thought fit, approve the following ordinary resolution in respect of the Share Option Plan:

### **"BE IT RESOLVED THAT:**

1. The Company's amended and restated Share Option Plan dated for reference November 18, 2021 and as amended December 11, 2023, be ratified, confirmed and approved for continuation until the next annual general meeting of the Company, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be approved for granting as options and that the Board of Directors of the Company be and are hereby authorized, without further shareholder approval, to make such changes to the Amended and Restated Share Option Plan as may be required or approved by regulatory authorities.
2. The Board of Directors of the Company may revoke this resolution before it is acted upon, without further approval of the Shareholders.
3. Any one director or officer of the Company is hereby authorized to execute and deliver, whether under corporate seal or otherwise, the agreement referred to above and any other agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies), and to perform and do all such other acts and things, as any such director or officer in his discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution."

**The Board unanimously recommends that the shareholders VOTE FOR the approval of the said resolution that requires an affirmative vote of the majority of the votes cast by shareholders at the Meeting in order to be adopted. Unless contrary instructions are indicated on the proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to VOTE FOR the approval of the resolution.**

#### 4. APPROVAL OF AMENDED DEFERRED SHARE UNIT PLAN AND RESTRICTED SHARE UNIT PLAN

The Company has a Restricted Share Unit Plan (the “**RSU Plan**”) and a Deferred Share Unit Plan (the “**DSU Plan**”). The RSU Plan and DSU Plan were established to provide incentive to qualified parties to increase their proprietary interest in the Company, encourage the alignment of interests with its shareholders, and foster their continued association with the Company. Long term incentives are comprised of share awards. The Compensation Committee is delegated the authority to grant share awards. The Compensation Committee reviews the grants of share awards to directors, management, employees and consultants. Share awards are generally granted annually, and at other times of the year to individuals commencing employment with the Company. The Company believes that encouraging its executives, employees and directors to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through both the RSU Plan and DSU Plan. Share awards are granted taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses, and competitive factors. Share awards vest on terms established by the Compensation Committee. The Company’s long-term incentives are designed to foster and promote the long-term financial success of the Company by strengthening the ability of the Company to attract and retain highly competent employees, motivating performance through incentive compensation, promoting greater alignment of interests between employees and shareholders in creating long-term shareholder value, and enabling employees to participate in the long-term growth and financial success of the Company. Share awards provide employees with the opportunity to participate in the growth of the Company’s share price as well as benefit from the favourable tax treatment applicable to this form of compensation.

On November 24, 2021, the TSXV adopted a new Policy 4.4 governing security-based compensation. The changes to the policy generally relate to the expansion of the policy to cover a number of types of security-based compensation in addition to stock options, including deferred share units and restricted share units.

On January 14, 2025, the Board approved certain amendments to the DSU Plan (the “**Amended DSU Plan**”) and the RSU Plan (the “**Amended RSU Plan**”) in order to comply with the updated TSXV Policy 4.4 – *Security Based Compensation*. A copy of the Amended DSU Plan and Amended RSU Plan have been filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) along with these meeting materials and will be available for inspection and placed before the Shareholders for approval at the Meeting.

Following the Meeting and subject to Shareholder and final TSXV approval, the Amended DSU Plan and the Amended RSU Plan, along with the Company’s Share Option Plan will, together comprise all equity-based compensation (“**Equity Based Compensation**”) issuable by the Company. The maximum aggregate amount allowable at any one time of all outstanding Equity Based Compensation plans will be 10% of the issued and outstanding Common Shares of the Company.

##### A. Deferred Share Unit Plan

###### ***Background***

The purpose of the Amended DSU Plan is to provide non-employee directors (the “**Participants**”) with the opportunity to receive equity based compensation and incentives, thereby (i) increasing the proprietary interests of the Participants in the Company, (ii) aligning the interests of such Participants with the interests of the Company’s Shareholders, (iii) encouraging such Participants to remain associated with the Company, and (iv) substituting equity based compensation for cash based compensation.

###### ***Summary of the Amended DSU Plan***

Capitalized terms used, but not defined herein have the meaning ascribed to them in the Amended DSU Plan.

###### ***Administration of Amended DSU Plan***

The Compensation Committee shall administer the Amended DSU Plan. The Amended DSU Plan provides that deferred share units (“**DSUs**”) will be awarded at the discretion of the Board but also provides that non-employee directors may elect to receive up to 100% of their annual compensation amount (the “**Annual Base Compensation**”) in DSUs. A DSU is a unit credited to a Participant by way of a bookkeeping entry in the books of the Company, the value of each DSU is equivalent to one Common Share. All DSUs paid with respect to Annual Base Compensation will be credited to the director by means of an entry in a notional account in their favour on the books of the Company (a “**DSU Account**”) when such Annual Base Compensation is payable. The director’s DSU Account will be credited with the number of DSUs calculated to the nearest thousandth of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the payment date by the Share Price of a Common Share at the time. Share Price is defined in the Amended DSU Plan and means (if the Common Shares are listed and posted for trading on the TSXV) the closing price of a Common Share on the TSXV averaged over the five (5) consecutive trading days immediately preceding (a) in the case of a Grant, the last day of the fiscal quarter preceding the date of Grant in respect of a director, or (b) in the case of a redemption, the Redemption Date, as applicable, or in the event

such shares are not traded on the TSXV, the fair market value of such shares as determined by the Committee acting in good faith.

Additionally, the Board may award such number of DSUs to a non-employee director as the Board deems advisable to provide the director with appropriate equity-based compensation for the services he or she renders to the Company. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to the director's DSU Account. The Company and a director who receives such an additional award of DSUs shall enter into a DSU award agreement to evidence the award and the terms applicable thereto.

Generally, a Participant in the Amended DSU Plan shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the date upon which the non-employee director ceases to hold any position as a director of the Company and its subsidiaries and is no longer otherwise employed by the Company or its subsidiaries, including in the event of death of the Participant (the "**Termination Date**") and ending on the 90th day following the Termination Date, provided, however that for U.S. Eligible Participants, redemption will be made upon such Participant's "separation from service" as defined under Internal Revenue Code Section 409A. Redemptions of DSUs under the Amended DSU Plan may be in Common Shares issued from treasury (subject to the Shareholder approval being sought at this Meeting), may be purchased by the Company on the open market for delivery to the former director, may be settled in cash or any combination of the foregoing.

#### ***Maximum Number of Common Shares Issuable for DSUs***

DSUs may be granted in accordance with the Amended DSU Plan. The maximum number of Common Shares issuable pursuant to all Security Based Compensation Arrangements (including the Option and Amended DSU Plans), at any time, including all Common Shares, options or other rights to purchase or otherwise acquire Common Shares that are granted to Insiders, shall not exceed 10% of the total number of outstanding Common Shares.

#### ***Transferability***

No right to receive payment of DSUs and other benefits under the Amended DSU Plan shall be transferable or assignable by a Participant except by will or laws of descent and distribution.

#### ***Certain United States Federal Income Tax Consequences***

The following is a summary of the principal U.S. federal income tax consequences generally applicable to DSUs awarded under the Amended DSU Plan. The following description applies to DSUs that are subject to U.S. federal income tax. The grant of DSUs and the crediting of DSUs to a Director's DSU Account should not result in taxable income to the Director at the time of grant. When DSUs are paid out, the Director will recognize ordinary income equal to the fair market value of the Common Shares and cash received in settlement of the DSUs, and the Company will be entitled at that time to a corporate income tax deduction (for U.S. federal income tax purposes) for the same amount, subject to the general rules concerning deductibility of compensation. A Director's basis in any Common Shares received will equal the fair market value of the Common Shares at the time the Director recognized ordinary income. If, as usually is the case, the Common Shares are a capital asset in the Director's hands, any additional gain or loss recognized on a subsequent sale or exchange of the Common Shares will not be ordinary income but will qualify as capital gain or loss. To the extent that a Director's DSUs are subject to U.S. federal income tax and to taxation under the Income Tax Act (Canada), DSUs awarded under the Amended DSU Plan are intended to comply with Section 409A of the Internal Revenue Code and to avoid adverse tax consequences under paragraph 6801(d) of the regulations under the Income Tax Act (Canada). To that end, the Amended DSU Plan contains certain forfeiture provisions that could apply to DSUs awarded under the Amended DSU Plan in limited circumstances.

#### ***Outstanding DSUs***

As at the date of this Information Circular there are no DSUs issued and outstanding under the Amended DSU Plan.

#### ***Proposed Amendments to the DSU Plan***

The Amended DSU Plan now includes the following amendments:

- i) Additional amendments to the terms of the Amended DSU Plan or to grants of DSUs under the Amended DSU Plan will be subject to approval of the TSXV and to necessary shareholder approval where applicable;
- ii) the addition of certain definitions in the Amended Plan in accordance with TSX Venture Policy 4.4 - *Definitions*;
- iii) specific restrictions with respect to adjustments to security-based compensation. Any adjustment to DSU's granted (except in relation to a consolidation or share split) is subject to the prior acceptance of the TSXV;
- iv) Investor Relations Service Providers may not receive DSUs; and

### *Exchange Approval*

The TSXV has conditionally approved the Amended DSU Plan, subject to approval of the holders of the Common Shares and subject to approval of the TSXV. The holders of the Common Shares will be asked at the Meeting, or any adjournment thereof, to consider, and if deemed advisable, to pass the Amended DSU Plan resolution set out below to authorize, ratify and approve the Amended DSU Plan, as amended.

A copy of the Amended DSU Plan is attached to this Information Circular as Schedule C.

### *Shareholder Approval – Amended DSU Plan Resolution*

“Be it **RESOLVED**, as an ordinary resolution, that:

1. the amended Deferred Share Unit Plan (the “**Amended DSU Plan**”) providing for the issuance of common shares of the Company upon redemption of deferred share units (“**DSUs**”), substantially as incorporated in the form of the Amended DSU Plan presented to the shareholders of the Company, is hereby approved, subject to such revisions as may be required by any stock exchange upon which the Company is listed from time to time, and any director or officer of the Company is hereby authorized and directed to settle the terms thereof and to execute and deliver for and on behalf of and in the name of the Company the Amended DSU Plan and any other documents in relation thereto as may be approved by such director or officer (the “**DSU Plan Documents**”), and the DSU Plan Documents so executed shall be conclusively deemed to be the DSU Plan Documents authorized and approved by this resolution and the Company is authorized to perform its obligations under the Amended DSU Plan and any associated DSU Plan Documents;
2. The Board be authorized to grant DSU Awards to eligible persons under the Amended DSU Plan to receive common shares upon vesting of granted DSU Awards, provided that at no time shall shares subject to the Amended DSU Plan and share options granted under the Company’s share option plan in effect from time to time exceed 10% of the number of common shares outstanding at the time of such DSU Award;
3. Any officer or director of the Company is hereby authorized to take all such steps and execute all such documents and to do all such other acts and things, as such person may in his or her sole discretion consider necessary or desirable in connection with or to carry out the provisions of the foregoing resolution; and
4. The directors be authorized in their sole discretion not to proceed with the Amended DSU Plan, or to terminate the Amended DSU Plan, without further approval from the shareholders.”

The Board recommends that Shareholders vote **IN FAVOUR** of the Amended DSU Plan Resolution. **In the absence of a contrary instruction, the person(s) designated by Management of the Company in the enclosed form of proxy intend to vote FOR the Amended DSU Plan Resolution.** A number greater than 50% of the votes cast by Shareholders present in person or by proxy at the Meeting is required to approve the Amended DSU Plan Resolution.

## **B. Restricted Share Unit Plan**

### *General*

The Board adopted the RSU Plan effective October 6, 2021. On January 14, 2025, the Board approved the Amended RSU Plan. The material terms of the Amended RSU Plan are set out below. The Amended RSU Plan is designed to provide certain directors, officers, consultants and other key employees of the Company as well as eligible consultants of the Company (“**Participants**”) and its related entities with the opportunity to acquire restricted share units (“**RSUs**”) of the Company, thereby allowing a Participant to share in the long-term success of the Company thus promoting the alignment of a Participant’s interests with the Shareholders. Following approval of the Amended RSU Plan, the Board will be responsible for administering the Amended RSU Plan. The Amended RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the Amended RSU Plan, which may be exercised to purchase Common Shares. The maximum aggregate number of Shares that may be reserved for issuance under the Amended RSU Plan, together with all other Security Based Compensation Arrangement, including the Amended DSU Plan, at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any security-based compensation under any of such Security Based Compensation Arrangement.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to authorize, ratify and approve continuation of the Amended RSU Plan. Set out below is a summary of the Amended RSU Plan. A complete copy of the Amended RSU Plan is available to be downloaded under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Capitalized terms used, but not defined herein have the meaning ascribed to them in the Amended RSU Plan.

### ***Eligible Participants***

The Amended RSU Plan would be administered by the Compensation Committee of the Board. Employees, directors and eligible consultants of the Company and its designated subsidiaries are eligible to participate in the Amended RSU Plan. RSUs awarded to participants are credited to them by means of an entry in a notional account in their favour on the books of the Company. Each RSU awarded conditionally entitles the participant to receive one Common Share (or the cash equivalent) upon attainment of the RSU vesting criteria.

### ***Vesting***

The "vesting" (i.e. fulfilment of conditions required for absolute entitlement) of RSUs is conditional upon the expiry of a time-based vesting period. The duration of the vesting period and other vesting terms applicable to the grant of the RSUs shall be determined at the time of the grant by the Compensation Committee. Once the RSUs vest, the participant is entitled to receive the equivalent number of underlying Common Shares or cash equal to the Market Value of the equivalent number of Common Shares. The vested RSUs may be settled through the issuance of Common Shares from treasury (subject to the Shareholder approval being obtained at the Meeting), by the delivery of Common Shares purchased in the open market, in cash or in any combination of the foregoing (at the discretion of the Company). If settled in cash, the amount shall be equal to the number of Common Shares in respect of which the participant is entitled multiplied by the Market Value of a Common Share on the payout date. Market Value per share is defined in the Amended RSU Plan and means, as at any date (if the Common Shares are listed and posted for trading on the TSXV), the arithmetical average of the closing price of the Common Shares traded on the TSXV for the five (5) trading days on which a board lot was traded immediately preceding such date. The RSUs may be settled on the payout date, which shall generally be before the third anniversary of the date of the grant. The expiry date of RSUs will be determined by the Committee at the time of grant. However, the maximum term for all RSUs is three years. All RSUs for which vesting cannot be satisfied due to a departure from the Company, would be available for future grants.

### ***Maximum Number of Common Shares Issuable***

RSUs may be granted in accordance with the Amended RSU Plan provided that the maximum number of Common Shares issuable pursuant to all Security Based Compensation Arrangements (i.e. Option, Amended DSU and Amended RSU Plans), at any time, shall not exceed 10% of the total number of outstanding Common Shares. The Amended RSU Plan provides that the maximum number of Common Shares issuable to insiders (as that term is defined by the TSXV) pursuant to the Amended RSU Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, will not, at any time, exceed 10% of the total number of outstanding Common Shares. The Amended RSU Plan provides that the maximum number of Shares issued to Insiders (as that term is defined by the TSXV) pursuant to the Amended RSU Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, within any one year period, shall not exceed 10% of the number of Common Shares outstanding. The Amended RSU Plan provides that the maximum number of Share Units granted to any individual must not exceed 1% of the issued shares, and the aggregate number shares issued for all RSU grants in a 12 (twelve) month period must not exceed 2% of the total number of outstanding common shares. The Amended RSU Plan provides that subject to 11.3 and 11.6, no Participant can be granted Share Units if those Share Units together with all other Security Based Compensation Arrangements granted to such Participant in the previous 12 months, exceed 5% of the total number of outstanding common shares, unless the Company has obtained Disinterested Shareholder Approval (as defined under the TSXV Policies) to do so. The Amended RSU Plan provides that the aggregate number of Share Units, together with all other Security Based Compensation Arrangements granted to all Participants conducting Investor Relations Activities in any 12- month period cannot exceed 2% of the total number of outstanding common shares, calculated at the time of grant, without the prior consent of the TSXV.

The Amended RSU Plan provides that the aggregate number of Share Units, together with all other Security Based Compensation Arrangements granted to any one Participant who is a Consultant in any 12 month period cannot exceed 2% of the total number of outstanding common shares, calculated at the time of grant, without the prior consent of the TSXV.



### ***Cessation of Entitlement***

Unless otherwise determined by the Company in accordance with the Amended RSU Plan, RSUs which have not vested on a participant's termination date shall terminate and be forfeited. If a participant who is an employee ceases to be an employee as a result of termination of employment without cause, in such case, at the Company's discretion (unless otherwise provided in the applicable Grant Agreement), all or a portion of such participant's RSUs may be permitted to continue to vest, in accordance with their terms, during any statutory or common law severance period or any period of reasonable notice required by law or as otherwise may be determined by the Company in its sole discretion. All forfeited RSUs are available for future grants.

### ***Transferability***

Subject to the requirements of Applicable Law, a Participant may designate in writing a Beneficiary to receive any benefits that are payable under the Amended RSU Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form and executed and filed in such manner as the Company may from time to time determine.

### ***Amendments to the Amended RSU Plan***

In the event of receipt of Shareholders' approval for the Amended RSU Plan, the Board may, without notice, at any time and from time to time, without shareholder approval, amend the Amended RSU Plan or any provisions thereof in such manner as the Board, in its sole discretion, determines appropriate including, without limitation:

- a) for the purposes of making formal minor or technical modifications to any of the provisions of the Amended RSU Plan;
- b) to correct any ambiguity, defective provision, error or omission in the provisions of the Amended RSU Plan;
- c) to change the vesting provisions of RSUs;
- d) to change the termination provisions of RSUs or the Amended RSU Plan that does not entail an extension beyond the original expiry date of the RSU;
- e) to preserve the intended tax treatment of the benefits provided by the Amended RSU Plan, as contemplated therein; or
- f) any amendments necessary or advisable because of any change in applicable laws;

provided, however, that:

- g) no such amendment of the Amended RSU Plan may be made without the consent of each affected participant if such amendment would adversely affect the rights of such affected participant(s) under the Amended RSU Plan; and
- h) Shareholder approval shall be obtained in accordance with the requirements of the TSXV for any amendment that results in:
  - a. an increase in the maximum number of Common Shares issuable pursuant to the Amended RSU Plan other than as already contemplated in the Amended RSU Plan;
  - b. persons eligible to be granted or issued Share Units under the Amended RSU Plan;
  - c. the number or percentage issued and outstanding Shares available for grant under this Amended RSU Plan;
  - d. the limits under the Amended RSU Plan on the amount of Share Units that may be granted to any one person or any category of person;
  - e. the method of calculation of redemption of Share Units held by Eligible Persons;

- f. the maximum term of Share Units; and
- g. an extension to the term for redemption of RSUs held by Eligible Persons.

### ***Certain United States Federal Income Tax Consequences***

The following is a summary of the principal U.S. federal income tax consequences generally applicable to RSUs awarded under the Amended RSU Plan. The following description applies to RSUs that are subject to U.S. federal income tax. The grant of RSUs should not result in taxable income to the Participant at the time of grant. When RSUs are paid out, the Participant will recognize ordinary income equal to the fair market value of the Common Shares and cash received in settlement of the RSUs, and the Company will be entitled at that time to a corporate income tax deduction (for U.S. federal income tax purposes) for the same amount, subject to the general rules concerning deductibility of compensation. A Participant's basis in any Common Shares received will equal the fair market value of the Common Shares at the time the Participant recognized ordinary income. If, as usually is the case, the Common Shares are a capital asset in the Participant's hands, any additional gain or loss recognized on a subsequent sale or exchange of the Common Shares will not be ordinary income but will qualify as capital gain or loss.

### ***Outstanding RSUs***

As at the date of this Information Circular there are no RSUs issued and outstanding under the Amended RSU Plan.

### ***Exchange Approval***

The TSXV has conditionally approved the Amended RSU Plan, subject to approval of the holders of the Common Shares and subject to approval of the TSXV. The holders of the Common Shares will be asked at the Meeting, or any adjournment thereof, to consider, and if deemed advisable, to pass the Amended RSU Plan Resolution (as defined below) to authorize, ratify and approve the Amended RSU Plan, as amended.

A copy of the Amended RSU Plan is attached to this Information Circular as Schedule D.

### ***Shareholder Approval – Amended RSU Plan Resolution***

At the Meeting, or any adjournment thereof, the holders of the Common Shares will be asked to consider, and if deemed advisable, to approve an ordinary resolution of the shareholders (the “**Amended RSU Plan Resolution**”) to ratify, confirm and approve the Amended RSU Plan, as amended, as follows:

“**BE IT RESOLVED**, as an ordinary resolution, that:

1. the Restricted Share Unit Plan, as amended (the “**Amended RSU Plan**”) providing for the issuance of common shares of the Company upon redemption of restricted share units (“**RSUs**”), substantially as incorporated in the form of the Amended RSU Plan presented to the shareholders of the Company, is hereby approved, subject to such revisions as may be required by any stock exchange upon which the Company is listed from time to time, and any director or officer of the Company is hereby authorized and directed to settle the terms thereof and to execute and deliver for and on behalf of and in the name of the Company the Amended RSU Plan and any other documents in relation thereto as may be approved by such director or officer (the “**RSU Plan Documents**”), and the RSU Plan Documents so executed shall be conclusively deemed to be the RSU Plan Documents authorized and approved by this resolution and the Company is authorized to perform its obligations under the Amended RSU Plan and any associated RSU Plan Documents;
2. the Board be authorized to grant RSU awards to eligible persons under the Amended RSU Plan to receive common shares upon vesting of granted RSU awards, provided that at no time shall shares subject to the Amended RSU Plan and share options granted under any other security based compensation plan of the Company in effect from time to time exceed 10% of the number of common shares outstanding at the time of such RSU award;
3. any officer or director of the Company is hereby authorized to take all such steps and execute all such documents and to do all such other acts and things, as such person may in his or her sole discretion consider necessary or desirable in connection with or to carry out the provisions of the foregoing resolution; and

4. the directors be authorized in their sole discretion not to proceed with the Amended RSU Plan, or to terminate the Amended RSU Plan, without further approval from the shareholders.”

The Board recommends that Shareholders vote **IN FAVOUR** of the Amended RSU Plan Resolution. **In the absence of a contrary instruction, the person(s) designated by Management of the Company in the enclosed form of proxy intend to vote FOR the Amended RSU Plan.** A number greater than 50% of the votes cast by Shareholders present in person or by proxy at the Meeting is required to approve the Amended RSU Plan.

### **C. Amendment to Articles**

The Company is seeking Shareholder approval to amend the Articles of the Company to replace Article 9.1 of the Company’s Articles with the text set forth in Schedule “E” to this Information Circular. The proposed amendment, among other things, will provide the Company with additional flexibility to alter the Company’s authorized share structure, and thereby reduce the cost of such alterations to the Company, going forward, and to authorize other corporate actions of the Company. The proposed amendment is subject to approval of the Exchange pursuant to Section 9 of Policy 3.2 - *Filing Requirements and Continuous Disclosure*.

At the Meeting, Shareholders will be asked to vote on the following special resolution, which must be approved by at least two-thirds of the votes cast by Shareholders represented in person or by proxy at the Meeting:

“**BE IT RESOLVED**, as a special resolution, that:

1. subject to approval of the TSX Venture Exchange, Article 9 of the Company’s Articles be deleted in its entirety and replaced with the text set forth in Schedule “E” to the Company’s Information Circular dated February 12, 2025; and
2. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

The Board recommends that Shareholders vote **IN FAVOUR** of the amendment of the Articles of the Company. **In the absence of a contrary instruction, the person(s) designated by Management of the Company in the enclosed form of proxy intend to vote FOR the amendment of the Articles of the Company.**

### **AUDIT AND RISK COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, set forth as follows.

#### **THE AUDIT AND RISK COMMITTEE’S CHARTER**

The Audit and Risk Committee has adopted a charter setting out its mandate and responsibilities (the “**Audit and Risk Committee Charter**”). The Audit and Risk Committee Charter can be found at Appendix 6 to the Company’s Corporate Governance Policies and Procedures Manual (the “**Manual**”), which is available for viewing under Corporate Governance on the Company’s website at [www.electricroyalties.com](http://www.electricroyalties.com).

#### **COMPOSITION OF THE AUDIT AND RISK COMMITTEE**

Members of the Audit and Risk Committee are Craig Lindsay (Chair), Marchand Snyman, Robert Schafer, and Stefan Gleason. Each member of the Audit and Risk Committee is financially literate. Except for Mr. Gleason, each member of the Audit and Risk Committee is an independent director.

## **RELEVANT EDUCATION AND EXPERIENCE**

See disclosure under heading “*Business of the Meeting – Election of Directors*”.

As a result of their education and experience, each member of the Audit and Risk Committee has familiarity with, an understanding of, or experience in:

- the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- reviewing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements; and
- an understanding of internal controls and procedures for financial reporting.

## **AUDIT AND RISK COMMITTEE OVERSIGHT**

The Audit and Risk Committee has not made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

## **RELIANCE ON CERTAIN EXEMPTIONS**

The Company’s external auditor, Deloitte, has not provided any material non-audit related services.

## **PRE-APPROVAL POLICIES AND PROCEDURES**

Section 1(a)(iv) of the Audit and Risk Committee Charter states that the Audit and Risk Committee must review and approve in advance all permitted non-audit services with Company’s auditors and the Audit and Risk Committee may delegate the ability to pre-approve such services to a subcommittee, provided such subcommittee shall present its decision to the full Audit and Risk Committee at the following Audit and Risk Committee meeting. Other than the foregoing, the Audit and Risk Committee has not adopted specific policies and procedures for the engagement of non-audit services.

## **EXTERNAL AUDITOR SERVICE FEES**

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The audit committee has reviewed the nature and amount of the non-audit services provided by Deloitte to the Company to ensure auditor independence. Fees incurred with Deloitte for professional services in the last two fiscal years are outlined in the following table:

<b>Nature of Services</b>	<b>Year Ended December 31, 2023</b>	<b>Year Ended December 31, 2022</b>
Audit Fees	\$159,450	\$168,600
Audit- Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$159,450	\$168,600

## **EXEMPTION**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE**

### **GENERAL**

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### **BOARD OF DIRECTORS**

Applicable governance policies require that a listed issuer's board of directors determine the status of each director as independent or not, based on each director's interest in or other relationship with, the Company. Applicable governance policies recommend that a board of directors be constituted with a majority of directors who qualify as independent directors (as defined below). A board of directors should also examine its size with a view of determining the impact of the number of directors upon the effectiveness of the board of directors, and the board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances. The Company's policies allow for retention of independent advisors for members of the Board when they consider it advisable.

Under the policies, an "independent" director is one who "has no direct or indirect material relationship" with the Company. Generally, a director is independent if he or she is free from any employment, business or other relationship that could, or could reasonably be expected to, materially interfere with the exercise of the director's independent judgment. A material relationship includes having been (or having a family member who has been), within the last three years, an employee or executive of the Company or having been employed by the Company's external auditor. Any individual who has (or whose family members or partners have) received directly or indirectly, any consulting, advisory, accounting, legal fee or investment banking compensation from the Company (other than compensation for acting as a director) is deemed to have a material relationship with the Company.

The independent members of the Board are Craig Lindsay, Marchand Snyman, and Robert Schafer.

Messrs. Gleason and Yurik are considered non-independent members of the Board. Mr. Gleason is considered non-independent because he beneficially owns more than 10% of the company's outstanding common shares. Mr. Yurik, a current director and Chief Executive Officer, is considered non-independent due to his executive management functions with the Company.

The Board monitors the activities of senior management through regular meetings and discussions amongst the Board members and between the Board and senior management. Communication between the independent directors also occurs on an ongoing basis and as needs arise from regularly scheduled meetings of the Board. The Board also facilitates its independent supervision in a number of other ways including: by holding meetings without the presence of management; by retaining independent consultants; by relying on experience and understanding the obligations and expectations of directors and officers; and by reviewing corporate developments with larger shareholders, analysts and potential industry partners, where it deems necessary. The Board encourages independent directors to bring up and discuss any issues or concerns and the Board is advised of and addresses any issues or concerns raised thereby. The Board is of the view that its communication policy between senior management, members of the Board and shareholders is good. The Board believes that adequate structures and processes are in place to facilitate the functioning of the Board with a sufficient level of independence from the Company's management. The Board is satisfied with the integrity of the Company's internal controls and financial management information systems.

## **OTHER DIRECTORSHIPS**

The section entitled "*Business of the Meeting – Election of Directors*" above gives details of other reporting issuers of which each director is a director and/or officer where applicable.

## **ORIENTATION AND CONTINUING EDUCATION**

When new directors are appointed, they receive an orientation commensurate with their previous experience on the Company's investments, business, and industry and on the responsibilities of the directors. The Company will focus on retaining experienced candidates as directors, and hence, the orientation needed should be minimized. Board meetings generally include presentations by the Company's senior management in order to give the directors full insight into the Company's operations.

## **ETHICAL BUSINESS CONDUCT**

The Board has adopted a Code of Ethics and Trading Restrictions policy, which deals with issues concerning ethical conduct and insists that all members of management of the Company, and all employees adhere to this code. The Code of Ethics and Trading Restrictions Policy can be found in Appendix 4 to the Manual and is available for viewing on the Company's website, under Corporate Governance ([www.electricroyalties.com](http://www.electricroyalties.com)). The Board also understands 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.

## **NOMINATION OF DIRECTORS**

The Nominating and Governance Committee will consider the size of the Board each year when it considers the number of directors to recommend to the Board and shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The specific duties of the Nominating and Governance Committee can be found in the Nominating and Governance Committee Charter, which is set out as Appendix 8 to the Manual and available on the Company's website, under Corporate Governance ([www.electricroyalties.com](http://www.electricroyalties.com)).

The current members of the Nominating and Governance Committee are Marchand Snyman (Chair), Craig Lindsay and Robert Schafer.

## **COMPENSATION**

The Compensation Committee reviews and recommends to the Board the compensation for the directors and executive officers, including the CEO, and its specific duties are prescribed in the Compensation Committee Charter, which is set out as Appendix 7 to the Manual and is available for viewing on the Company's website, under Corporate Governance ([www.electricroyalties.com](http://www.electricroyalties.com)).

The current members of the Compensation Committee are Robert Schafer (Chair), Marchand Snyman, Craig Lindsay, and Stefan Gleason.

## OTHER BOARD COMMITTEES

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

## ASSESSMENTS

The Board and the Nominating and Governance Committee monitor the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees. Under its charter, the Nominating and Governance Committee oversees an annual formal assessment of the Board and all its committees. The Board is satisfied with the overall corporate achievements of the Company and believes this reflects well on the Board and its practices.

## STATEMENT OF EXECUTIVE COMPENSATION

See the report set out at Schedule A.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at December 31, 2024:

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	8,081,000	\$0.32	2,207,402
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	8,081,000	\$0.32	2,207,402

See "*Business of the Meeting – Amendment and Re-Approval of Share Option Plan*" for a description of the material terms of the Company's Share Option Plan.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or could materially affect the Company or any of its subsidiaries during the fiscal year ended December 31, 2023, or has any interest in any material transaction in the current year other than as set out herein.

### **MANAGEMENT CONTRACTS**

Since the start of the Company's most recently completed financial year, no management functions of the Company have been, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is included in the Company's audited financial statements for the years ended December 31, 2023 and 2022, Report of Independent Accounting Firm, and related Management Discussion and Analysis filed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Company's most recent interim financial statements and related management discussion and analysis, and additional information, may also be obtained from SEDAR+ and upon request from the Company at telephone no. (604) 639-9200 or Fax no. (604) 684-8092.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of this Information Circular.

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

**DATED** at Vancouver, British Columbia, February 12, 2025.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Marchand Snyman*

**Marchand Snyman**  
**Chairman of the Board**



**SCHEDULE A**  
**STATEMENT OF EXECUTIVE COMPENSATION**

See attached

On June 28, 2024, the Company filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), a statement of executive compensation, dated June 28, 2024 and prepared as at and for the year ended December 31, 2023, as required under Form 51-102F6V - *Statement of Executive Compensation (Venture Issuers)*.

There have been no material compensation actions, decisions or policies made to date since the filing of the aforementioned statement of executive compensation, a copy of which is appended below.

**ELECTRIC ROYALTIES LTD.**

**(the "Company")**

**FORM 51-102F6V**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**STATEMENT OF EXECUTIVE COMPENSATION**

The following information, dated as of June 28, 2024, is provided as required under Form 51-102F6V Statement of Executive Compensation (Venture Issuers) and is prepared as at and for the year ended December 31, 2023 (except as otherwise indicated).

This Statement of Executive Compensation should be read in conjunction with the Company's information circular (the "Information Circular") dated October 12, 2023 as publicly filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) on November 16, 2023. All monetary amounts herein are expressed in Canadian Dollars ("\$"), unless stated otherwise.

**NAMED EXECUTIVE OFFICERS**

In this section "Named Executive Officer" (or "**NEO**") means each of the following individuals:

- a) the Chief Executive Officer ("**CEO**");
- b) the Chief Financial Officer ("**CFO**");
- c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V 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, nor acting in a similar capacity, at December 31, 2023.

The NEOs of the Operating Entity as at December 31, 2023 are as follows:

- Brendan Yurik – CEO of the Company; and
- Luqman Khan – CFO of the Company

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the NEOs, or by Companies controlled by them, and any non-NEO directors of the Company for the periods noted therein:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Brendan Yurik <sup>(1)</sup> CEO and Director	2023	212,000	Nil	Nil	Nil	Nil	212,000
	2022	200,000	Nil	Nil	Nil	Nil	200,000
Luqman Khan <sup>(2)</sup> CFO	2023	36,500	Nil	Nil	Nil	Nil	36,500
	2022	33,000	Nil	Nil	Nil	Nil	33,000
Marchand Snyman <sup>(4)</sup> Chairman	2023	120,000	Nil	Nil	Nil	Nil	120,000
	2022	120,000	Nil	Nil	Nil	Nil	120,000
Craig Lindsay <sup>(4)</sup> Director	2023	21,000	Nil	9,000	Nil	Nil	30,000
	2022	21,000	Nil	9,000	Nil	Nil	30,000
Robert Schafer <sup>(4)</sup> Director	2023	21,000	Nil	9,000	Nil	Nil	30,000
	2022	21,000	Nil	9,000	Nil	Nil	30,000
Stefan Gleason <sup>(3)(4)</sup> Director	2023	1,129	Nil	215	Nil	Nil	1,344
	2022	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- Mr. Yurik was appointed as a CEO of the Company in July 2019. Effective January 1, 2020, Mr. Yurik entered into an employment agreement with the Company whereby he was entitled to receive a base salary of \$150,000 per year. Effective October 16, 2021, the base salary for Mr. Yurik was increased to \$200,000 per year, and effective June 1, 2023, the base salary for Mr. Yurik was increased to \$220,000 per year.
- Mr. Khan was appointed as CFO of the Company in July 2019. Mr. Khan provides services through a private consulting firm. Services of Mr. Khan are not received on a full-time basis; instead, his services are received on an as-needed basis.
- Mr. Gleason was appointed to the Board effective December 11, 2023.
- Mr. Snyman, in his capacity as Chairman of the Board, receives an annual fee and no committee fees. Other non-management directors of the Company receive an annual retainer fee in their capacity as directors, and additional fees for each committee served. The following table summaries various fees paid to non-management directors for the periods noted therein:

Fee	
Annual retainer – Chairman of the Board	\$120,000 per year
Annual retainer – other non-management directors	\$21,000 per year
Committee chair's fee	\$5,000 per year
Committee member's fee	\$2,000 per year

The following table sets out various Board Committees and their members:

Members	Board Committees		
	Audit and Risk Committee	Compensation Committee	Nominating and Governance Committee.
Marchand Snyman	Member	Member	Chair
Craig Lindsay	Chair	Member	Member
Robert Schafer	Member	Chair	Member
Stefan Gleason	Member	Member	–

## STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

During the financial year ended December 31, 2023, there were no compensation securities granted or issued to NEOs or non-NEO directors, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table lists the number of stock options held by NEOs or non-NEO directors at December 31, 2023:

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date
Brendan Yurik	800,000	0.29	July 15, 2025
	800,000	0.42	October 14, 2026
Total	1,600,000		
Luqman Khan	300,000	0.29	July 15, 2025
	300,000	0.42	October 14, 2026
Total	600,000		
Marchand Snyman	500,000	0.29	July 15, 2025
	500,000	0.42	October 14, 2026
Total	1,000,000		
Craig Lindsay	300,000	0.29	July 15, 2025
	300,000	0.42	October 14, 2026
Total	600,000		
Robert Schafer	150,000	0.29	July 15, 2025
	300,000	0.42	October 14, 2026
Total	450,000		

During the financial year ended December 31, 2023, no compensation securities were exercised by NEOs or non-NEO directors.

At December 31, 2023, there were 6,325,000 outstanding stock options and 96,601,509 issued and outstanding common shares of the Company. The Company's stock options typically vest in three equal tranches within one year of grant dates.

## PENSION PLAN BENEFITS

The Company has no pension or deferred compensation plans for its directors, officers or employees.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has a change of control agreement in place between the Company and each of its NEOs. Under the terms of the change of control agreements, if a termination without cause or a resignation within 12 months following a change of control (as defined under the change of control agreement) NEOs will receive the following compensation:

- The Company's CEO, will receive a lump sum amount equal to two times the annual salary payable under the terms of his employment agreement.
- Notwithstanding the terms of any stock option plan or agreement, all non-vested stock options held by the Company's CEO shall vest and become exercisable until their normal expiry date.
- The Company's CFO will receive a lump sum amount of \$50,000.
- Mr. Snyman will receive a lump sum amount equal to his annual retainer fee, currently set at \$120,000 per year.

Except as otherwise outlined herein and in accordance with the Employment Standards Act (British Columbia), there are no compensatory plan(s) or arrangement(s), with respect to any NEO resulting from the resignation, retirement or

any other termination of employment of the officer's employment or from a change of the NEO's responsibilities following a change in control.

## COMPENSATION COMMITTEE AND GOVERNANCE

In July 2020, the Compensation Committee of the Board was constituted to assist the Board in carrying out its responsibilities relating to executive and director compensation, including: 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, evaluating performance of officers generally and in light of annual goals and objectives. The charter for the Compensation Committee is included in the Corporate Governance Policies and Procedures Governance Manual and is available for viewing from the Company's website under Corporate Governance.

The current members of the Compensation Committee of the Company as stated above are Robert Schäfer (Chair), Marchand Snyman, Craig Lindsay, and Stefan Gleason. Except for Mr. Gleason, all members of the Compensation Committee of the Company are independent directors. The Compensation Committee assists the Board in carrying out its responsibilities relating to executive and director compensation.

The members of the Compensation Committee possess the skills and experience that enable the committee to make decisions on the suitability of the Company's compensation policies and practices.

As a result of their education and experience, each member of the Compensation Committee has familiarity with, an understanding of, or experience in:

- (a) reviewing compensation philosophy including base compensation structures & incentive programs;
- (b) reviewing specific executive and director compensation;
- (c) administering of share options and other equity based compensation plans and the determination of share option grants; and
- (d) reviewing performance goals and the assessments of corporate officers.

All members of the Compensation Committee other than Mr. Gleason serve on other boards of publicly traded companies and have experience in the area of compensation and related issues. For relevant education and experience of the members of the Compensation Committee, see disclosure under "*Election of Directors*" in the Company's Information Circular filed on SEDAR+ on November 16, 2023.

The Compensation Committee has, among other things, the following duties, responsibilities and authority:

- (a) to recommend to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on its committees. The Compensation Committee shall review director compensation at least annually.
- (b) to annually review the Company's base compensation structure and the Company's incentive compensation, share option and other equity-based compensation programs and recommend changes in or additions to such structure and plans to the Board as needed.
- (c) to recommend to the Board the annual base compensation of the Company's executive officers and senior managers (collectively the "Officers").
- (d) to recommend to the Board annual corporate goals and objectives under any incentive compensation plan adopted by the Company for Officers, and recommend incentive compensation participation levels for Officers under any such incentive compensation plan. In determining the incentive component of compensation, the Compensation Committee will consider the Company's performance and relative shareholder return, the values of similar incentives at comparable companies and the awards given in past years.
- (e) to evaluate the performance of Officers generally and in light of annual corporate goals and objectives under any incentive compensation plan.
- (f) to periodically review with the Chairman and CEO their assessments of corporate officers and senior managers and succession plans and make recommendations to the Board regarding appointment of officers and senior managers.

- (g) to administer the Company's share option and other equity based compensation plans and determine the annual grants of share options and other equity based compensation.
- (h) to recommend to the Nominating and Governance Committee the qualifications and criteria for membership on the Compensation Committee.

Due to the small size of the Company and the current level of the Company's activities, the Compensation Committee is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's share option plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of the executive compensation (base salary) represents only part of the total compensation. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

### **Report on Executive Compensation**

This report on executive compensation has been authorized by the Compensation Committee. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management, although the Compensation Committee guides it in this role. As part of its mandate, the Board determines the type and amount of compensation for the Company's executive officers. In addition, the Board reviews the methodology utilized by the Company for setting salaries of employees throughout the organization.

The Company's compensation policies and programs are designed to be competitive with similar companies and to recognize and reward executive performance consistent with the success of the Company's business.

### **Philosophy and Objectives**

The Company's senior management compensation program is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's Shareholders.

In compensating its senior management, the Company employs a combination of base salary, bonus compensation and equity participation through its share option plan and other equity participation plans.

The main objective of director compensation is to attract and retain directors with the relevant skills, knowledge and abilities to carry out the Board's mandate.

### **Base Salary**

In the Board's view, paying base salaries that are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. The NEOs are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the company.

The salary to be paid to a particular NEO is determined by gathering competitive salary information from a variety of sources, including surveys conducted by independent consultants and national and international publications, such as

the Mercer Benchmark Database. Payment of a cash salary fits within the objective of the compensation program since it rewards each NEO for performance of his duties and responsibilities.

### **Bonus Compensation**

The Board considers performance, shareholder benefits achieved, competitive factors and other matters in awarding bonuses, including if sufficient cash resources are available for the granting of bonuses.

### **All Other Fees**

There were no other fees paid to any consultants or advisors relating to executive compensation.

### **Executive Compensation-Related Fees**

No compensation was paid to any compensation consultants in respect of executive compensation studies for the Company's two most recently completed financial years.

### **Equity Participation – Option Based Awards**

The Company has a share option plan (the "Option Plan"). The Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company, encourage the alignment of interests with its shareholders, and foster their continued association with the Company.

Long term incentives are comprised of share options. The Compensation Committee is delegated the authority to grant share options. The Compensation Committee reviews the grants of share options to directors, management, employees and consultants. Share options are generally granted annually, and at other times of the year to individuals commencing employment with the Company. Share option exercise prices are set in accordance with policies of the TSX Venture Exchange and are based on the closing trading price prior to the date of grant.

The Company believes that encouraging its executives, employees and directors to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Option Plan. Share options are granted taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses, and competitive factors. Share options vest on terms established by the Compensation Committee.

The Company's long-term incentives are designed to foster and promote the long-term financial success of the Company by strengthening the ability of the Company to attract and retain highly competent employees, motivating performance through incentive compensation, promoting greater alignment of interests between employees and shareholders in creating long-term shareholder value, and enabling employees to participate in the long-term growth and financial success of the Company. Share options provide employees with the opportunity to participate in the growth of the Company's share price as well as benefit from the favourable tax treatment applicable to this form of compensation.

For material terms of the Option Plan, see disclosure in the Company's Information Circular filed at SEDAR+ on November 16, 2023.

### **Equity Participation – Restricted Share Unit Plan and Deferred Share Unit Plan**

The Company has a Restricted Share Unit Plan (the "RSU Plan") and a Deferred Share Unit Plan (the "DSU Plan").

The RSU Plan and DSU Plan were established to provide incentive to qualified parties to increase their proprietary interest in the Company, encourage the alignment of interests with its shareholders, and foster their continued association with the Company.

Long term incentives are comprised of share awards. The Compensation Committee is delegated the authority to grant share awards. The Compensation Committee reviews the grants of share awards to directors, officers, management, employees and consultants. Share awards have not been granted to date, but would generally be granted annually, and at other times of the year to qualifying individuals commencing employment with the Company.

The Company believes that encouraging its executives, employees and directors to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through both the RSU Plan and DSU Plan. Share awards are granted taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses, and competitive factors. Share awards vest on terms established by the Compensation Committee.

The Company's long term incentives are designed to foster and promote the long-term financial success of the Company by strengthening the ability of the Company to attract and retain highly competent employees, motivating performance through incentive compensation, promoting greater alignment of interests between employees and shareholders in creating long-term shareholder value, and enabling employees to participate in the long-term growth and financial success of the Company. Share awards provide employees with the opportunity to participate in the growth of the Company's share price as well as benefit from the favourable tax treatment applicable to this form of compensation.

### **General**

The Compensation Committee considered the implications of the risks associated with the Company's compensation policies and practices and concluded that, given the nature of the Company's business and the role of the Compensation Committee in overseeing the Company's executive compensation practices, the compensation policies and practices do not serve to encourage any non executive officer NEO or individual at a principal business unit or division to take inappropriate or excessive risks, and no risks were identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company has adopted a policy restricting its NEOs and directors from purchasing financial instruments including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. For the years ended December 31, 2023 and 2022, no NEO or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

### **COMPENSATION ACTIONS, DECISIONS OR POLICIES MADE AFTER DECEMBER 31, 2023.**

Given the evolving nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

After December 31, 2023, the Company granted the following share purchase options to its NEOs and non-NEO directors:

<b>Name</b>	<b>Grant</b>
Brendan Yurik	700,000
Marchand Snyman	300,000
Craig Lindsay	200,000
Robert Schafer	200,000
Stefan Gleason	200,000
Luqman Khan	150,000

Except for the forgoing, there were no compensation actions, decisions or policies made after December 31, 2023 and before the date hereof.



**SCHEDULE B  
AMENDED SHARE OPTION PLAN**

See attached.

## SHARE OPTION PLAN

ELECTRIC ROYALTIES LTD.  
(formerly known as Rebel Capital Inc.)

### AMENDED SHARE OPTION PLAN

Amended and Restated on November 18, 2021 and December 11, 2023

#### ARTICLE 1 PURPOSE AND INTERPRETATION

##### Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the TSX Venture Policies (as defined below) and any inconsistencies between this Plan and the TSX Venture Policies will be resolved in favour of the latter.

##### Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Blackout Period** means any period during which an Optionee is prohibited from exercising an Option due to trading restrictions imposed by the Company in accordance with its securities trading policies governing trades in the Company's securities;
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Business Day** means a day that the TSX Venture is open for trading;
- (f) **Change of Control** means:
  - (i) the acquisition, whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the Securities Act and the rules and regulations thereunder) of voting securities of the Company which, together with any other voting securities of the Company held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Company;
  - (ii) an amalgamation, arrangement or other form of business combination of the Company with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the corporation or other corporate entity (including a merged or successor company) resulting from the business combination; or

- (iii) the sale, lease or exchange of all or substantially all of the property of the Company to another person other than a subsidiary of the Company or other than in the ordinary course of business of the Corporation;
- (g) **Code** means the United States Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto (and reference to any specific Code section shall include any successor section);
- (h) **Common Shares** means common shares without par value in the capital of the Company;
- (i) **Company** means Electric Royalties Ltd. and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (j) **Consultant** means a Person, other than an Employee, Officer or Director that:
  - (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
  - (ii) provides the services under a written contract between the Company or an Affiliate and the Person;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the Person to be knowledgeable about the business and affairs of the Company;
- (k) **Directors** means the directors of the Company as may be elected from time to time;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Persons whose votes are required to be excluded under Policy 4.4 of the TSX Venture;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Employee** means:
  - (i) an individual who is considered an employee under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Company or a subsidiary thereof 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 or its subsidiary on a continuing and regular basis for a minimum amount of time per week 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 need not be made at source;
- (o) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (p) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (q) **Grant Date** means, in respect of any Option, the date on which such Option is granted;
- (r) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (s) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (t) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (u) **Market Price** as at any date means:
  - (i) the closing trading price of the Common Shares on the TSXV on the day immediately prior to such date;
  - (ii) if the Common Shares are not listed on the TSXV, then the closing trading price of the Common Shares on any other stock exchange on which the Common Shares are listed (if the Common Shares are traded on more than one stock exchange, then the stock exchange on which a majority of Common Shares are traded) on the day immediately prior to such date; or
  - (iii) if the Common Shares are not listed on a stock exchange, then the trading price determined by the Board using good faith discretion;
- (v) **Officer** means a Board appointed officer of the Company;
- (w) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (x) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (y) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

- (z) **Optionee** means the recipient of an Option hereunder;
- (aa) **Outstanding Shares** means, at the relevant time, the number of issued and outstanding Common Shares of the Company at such time;
- (bb) **Participant** means a Service Provider that becomes an Optionee;
- (cc) **Person** includes a company, an unincorporated entity or an individual;
- (dd) **Plan** means this share option plan, the terms of which are set out herein, as it may be amended from time to time;
- (ee) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (ff) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (gg) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation;
- (hh) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee or Consultant, and also includes a company of which 100% of the share capital is beneficially owned by one or more Service Providers;
- (ii) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (jj) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (kk) **Trading Day** means a day when trading occurs through the facilities of the TSX Venture; (ll)  
**TSX Venture** means the TSX Venture Exchange and any successor thereto;
- (mm) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time; and
- (nn) **VWAP** means the volume weighted average trading price of Common Shares on the TSX Venture calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding the exercise of the subject Option.

1.3 Words and phrases used in the Plan which are not defined in the Plan but are defined in the TSX Venture Policies will have the meaning assigned to them in the TSX Venture Policies.

## **ARTICLE 2 SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

- 2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

- 2.2 Subject to adjustment as provided in §2.7 hereof, the maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under Share Compensation Arrangements other than this Plan, unless the Plan is amended in accordance with the requirements of the TSX Venture Policies.

### **Eligibility**

- 2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board, subject to compliance with applicable TSX Venture Policies. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.
- 2.4 The Board is responsible for ensuring and confirming that any Employee, Consultant or Management Company Employee who is granted Options under the Plan is a *bona fide* Employee, Consultant or Management Company Employee, as applicable, at the time of grant including, if the Board considers it appropriate in the circumstances, requiring the Company and the applicable Participant to certify in writing that such Participant is a *bona fide fide* Employee, Consultant or Management Company Employee.

### **Options Granted Under the Plan**

- 2.5 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.
- 2.6 Subject to specific variations to the Plan in accordance with the terms hereof, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Issue**

- 2.7 Notwithstanding any other provisions hereunder and unless the Plan is amended in accordance with the requirements of the TSX Venture Policies or the TSX Venture otherwise consents:
- (a) the aggregate maximum number of Plan Shares issuable pursuant to Options granted or issued to Insiders (as a group), together with all grants pursuant to Share Compensation Arrangements other than this Plan, shall not exceed 10% of the Outstanding Shares at any point in time, unless the Company has obtained the requisite Disinterested Shareholder Approval pursuant to the TSX Venture Policies;
  - (b) the aggregate maximum number of Plan Shares issuable pursuant to Options granted or issued to Insiders (as a group), together with all grants pursuant to Share Compensation

Arrangements other than this Plan, shall not exceed 10% of the Outstanding Shares in any 12 month period, unless the Company has obtained the requisite Disinterested Shareholder Approval pursuant to the TSX Venture Policies;

- (c) the aggregate number of Plan Shares issuable pursuant to Options granted to all Service Providers retained to provide Investor Relations Activities in any 12 month period, together with the number of Common Shares issuable to such Persons pursuant to any stock options granted to such Persons pursuant to Share Compensation Arrangements other than this Plan during such 12 month period, cannot exceed 2% of the Outstanding Shares calculated as of the applicable Grant Date;
- (d) the aggregate number of Plan Shares issuable pursuant to Options granted to any one Person (and where permitted under the Plan and TSX Venture Policies, any companies that are wholly owned by such Person) in any 12 month period, together with the number of Common Shares issuable to such Person pursuant to any rights granted to such Person pursuant to Share Compensation Arrangements other than this Plan during such 12 month period, cannot exceed 5% of the Outstanding Shares calculated as of the applicable Grant Date calculated as of the applicable Grant Date, unless the Company has obtained the requisite Disinterested Shareholder Approval pursuant to the TSX Venture Policies; and
- (e) the aggregate number of Plan Shares issuable pursuant to Options granted to any one Consultant in any 12 month period, together with the number of Common Shares issuable to Consultants pursuant to any rights granted to Consultants pursuant to Share Compensation Arrangements other than this Plan during such 12 month period, cannot exceed 2% of the Outstanding Shares calculated as of the applicable Grant Date calculated as of the applicable Grant Date.

### **Options Not Exercised**

- 2.8 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

### **Powers of the Board**

- 2.9 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder.
- 2.10 Without limiting the generality of the foregoing, the Board has the power to
- (a) allot Common Shares for issuance in connection with the exercise of Options;
  - (b) grant Options hereunder;
  - (c) subject to any necessary Regulatory Approval, TSX Venture approval and shareholder approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option

previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder;

- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
- (e) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

### **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

#### **Exercise Price**

- 3.1 The Exercise Price of an Option will be set by the Board at the time such Option is granted under the Plan and, in all cases, cannot be less than the Exercise Price permitted by the TSX Venture. If Options are granted within 90 days of a Distribution pursuant to a Prospectus, the Exercise Price will not be less than the price paid per share by the public investors in Common Shares acquired under the Distribution. Notwithstanding the foregoing, the Exercise Price of an Option cannot be set at less than \$0.05 without the prior approval of the TSX Venture.

#### **Term of Option**

- 3.2 Subject to the application of §3.13, an Option can be exercisable for a maximum of 10 years from the applicable Grant Date.

#### **Vesting of Options**

- 3.3 Subject to §3.4, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately.

#### **Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

- 3.4 Notwithstanding §3.3, Options granted to Service Providers retained to provide Investor Relations Activities will vest:
- (a) over a period of not less than 12 months, as to 25% on the date that is three months from the applicable Grant Date and as to a further 25% on each successive date that is three months from the date of the previous vesting; or
  - (b) such longer vesting period as the Board may determine.

#### **Optionee Ceasing to be Director, Employee or Service Provider**

- 3.5 No Option may be exercised by any Optionee after the date on which the Optionee ceases to serve or be employed as a Director, Officer, Employee, Management Company Employee or Consultant, as applicable, except as follows:



- (a) in the case of the death of an Optionee, any vested Option held by the Optionee will be exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of (i) the Expiry Date of such Option and (ii) one year after the date of death;
- (b) subject to §3.5(c), unless the Optionee is dismissed from service or employment for cause, any vested option will be exercisable until the earlier of (i) the Expiry Date of such Option and (ii) 90 days after the date on which such Optionee ceases to serve or be employed as a Director, Officer, Employee, Management Company Employee or Consultant (or such other time not to exceed one year as shall be determined by the Board as at the Grant Date or agreed to by the Board and the Optionee at any times prior to the expiry of the Option); and
- (c) with respect to an Optionee who is engaged in Investor Relations Activities for the Company, unless such Optionee is dismissed from service or employment for cause, any vested option held by such Optionee will be exercisable until the earlier of (i) the Expiry Date of such Option and (ii) 30 days after the date on which such Optionee ceases to provide services to the Company.

For the avoidance of doubt, in the case of an Optionee being dismissed from service or employment for cause, all Options held by such Optionee, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same.

#### **Non Assignable**

- 3.6 Subject to §3.5, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

#### **Adjustment Provisions**

- 3.7 If the Outstanding Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, the Board shall, in its sole discretion, in the manner it deems fair and reasonable in light of the circumstances, make an appropriate and proportionate adjustment in the number or kind of Common Shares optioned and the exercise price per Common Share, as regards previously granted and unexercised Options or portions thereof, and as regards to Options which may be granted subsequent to any such change in the Company's capital. Notwithstanding the foregoing, excepting any adjustments made with respect to a consolidation or subdivision of the Common Shares, all adjustments made by the Board pursuant to this §3.7 shall be conditional upon the Company obtaining the prior approval of the TSX Venture.
- 3.8 Adjustments under §3.7 shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, will be final, conclusive and binding on the Company, the Optionee and all other affected parties.
- 3.9 In all events, no fractional share shall be required to be issued under the Plan on any such adjustment. Fractional Common Shares shall be eliminated.

- 3.10 The grant of an Option shall not affect in any way the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, split, dissolve or liquidate, or to sell or transfer all or any part of its business or assets. Notwithstanding the above, any adjustment to Options granted or issued (except in relation to a consolidation or split) will be subject to the approval of the TSX Venture.
- 3.11 Upon the liquidation or dissolution of the Company, the Plan shall terminate, and any Options theretofore granted hereunder shall terminate.
- 3.12 Notwithstanding any other provision of the Plan, in the event of a proposed Change of Control, the Board may, as deemed necessary or equitable by the Board in its sole discretion, but subject to compliance with any restrictions on vesting of options set forth in the TSX Venture Policies, determine the manner in which all unexercised Options granted under the Plan will be treated, including without limitation accelerating the vesting of such Options or requiring the acceleration of the time for the exercise of such Options by the holders thereof and of the time for the fulfillment of any conditions or restrictions on such exercise. Notwithstanding the foregoing, the Board may not accelerate the vesting period of any Options held by a Service Provider retained to provide Investor Relations Activities without the prior written approval of the TSX Venture. All determinations of the Board under this §3.12 will be binding for all purposes of the Plan.

#### **Extension of Options Expiring During Blackout Period**

- 3.13 Should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan; provided, however, that the Expiry Date may not be extended if the Optionee or the Company is subject to a cease trade order under applicable securities laws in respect of the Company's securities.

#### **Incentive Stock Options**

- 3.14 The following provisions shall apply, in addition to the other provisions of the Plan which are not inconsistent therewith, to Options intended to qualify as incentive stock options ("ISOs") under section 422 of the Code:
- (a) Options may be granted as ISOs only to individuals who are employees of the Company or any present or future "subsidiary corporation" or "parent corporation" as those terms are defined in section 424 of the Code (collectively, "**Related Companies**") and ISOs shall not be granted to nonemployee directors or independent contractors;
  - (b) for purposes of this section, "Disability" shall mean "permanent and total disability" as defined in section 22(e)(3) of the Code;
  - (c) if an Optionee ceases to be employed by the Company other than by reason of death or Disability, Options shall be eligible for treatment as ISOs only if exercised no later than three months following such termination of employment;
  - (d) the Exercise Price in respect of Options granted as ISOs to employees who own more than 10% of the combined voting power of all classes of stock of the Company (a "10% Shareholder") shall be not less than 110% of the fair market value per Common Share on

the Grant Date and the term of any ISO granted to a 10% Shareholder shall not exceed five years measured from the Grant Date;

- (e) Options held by an Optionee shall be eligible for treatment as ISOs only if the fair market value (determined at the Grant Date) of the Common Shares with respect to which such Options and all other options intended to qualify as “incentive stock options” under section 422 of the Code held by such individual and granted under the Plan or any other plan of a Related Company and which are exercisable for the first time by such individual during any one calendar year does not exceed US\$100,000;
- (f) by accepting an Option granted as an ISO under the Plan, each Optionee agrees to notify the Company in writing immediately after such Optionee makes a “Disqualifying Disposition” of any stock acquired pursuant to the exercise of such ISO (and, for this purpose, a Disqualifying Disposition is any disposition occurring on or before the later of (i) the date two years following the Grant Date or (ii) the date one year following the date the ISO was exercised;
- (g) notwithstanding that the Plan shall be effective when adopted by the Board, no ISO granted under the Plan may be exercised until the Plan is approved by the Company’s shareholders and, if such approval is not obtained within 12 months after the date of the Board’s adoption of the Plan, then all ISOs previously granted shall terminate and cease to be outstanding and the provisions of this §3.14 shall cease to have effect; furthermore, the Board shall obtain shareholder approval within 12 months before or after any increase in the total number of Common Shares that may be issued under the Plan pursuant to Options intended to be ISOs or any change in the class of employees eligible to receive ISOs under the Plan;
- (h) no modification of an outstanding Option that would provide an additional benefit to an Optionee, including but not limited to a reduction of the Exercise Price or extension of the Expiry Date, shall be made without consideration and disclosure of the likely U.S. federal income tax consequences to the Optionees affected thereby; and
- (i) ISOs shall be neither transferable nor assignable by the Optionee other than by will or the laws of descent and distribution and may be exercised, during the Optionee’s lifetime, only by such Optionee.

#### **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

##### **Option Commitment**

- 4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof. Without limiting the generality of the foregoing, and if and for so long as the Company is listed on the TSX Venture, the Company and the Optionee are required to represent in the Option Commitment that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

## **Manner of Exercise**

- 4.2 An Optionee who wishes to exercise his Option may do so by delivering
- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
  - (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price by the Optioned Shares being acquired.

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such other procedures and conditions as it determines appropriate with respect to the payment, funding or withholding of amounts required by law to be withheld on the exercise of Options under this Plan.

## **Cashless Exercise**

- 4.3 A Participant (other than a Service Provider retained to provide Investor Relations Activities) have the right (the “**Cashless Exercise Right**”), to exercise Options in whole or in part by notice in writing delivered by the Participant to the Corporation electing to exercise the Cashless Exercise Right and, in lieu of making a cash payment of the full purchase price of the Optioned Shares being purchased, the Company will, pursuant to an arrangement with a brokerage firm, have the brokerage firm (i) loan money to the Participant to purchase the Optioned Shares, (ii) then sell a sufficient number of the Optioned Shares to cover the exercise price of the Options in order to repay the loan made to the Participant, and (iii) deliver the balance of the Optioned Shares to the Participant.
- 4.4 If a Participant exercises a Cash Exercise Right in connection with an Option, it is exercisable only to the extent and on the same conditions that the related Option is exercisable under this Plan.
- 4.5 Exercise of an Option by use of the Cashless Exercise Right, in each instance, is conditional upon consent of the Company, and the Board will not be obliged to allow for use of the Cashless Exercise Right or to provide reasons for not allowing use thereof.

## **Net Exercise Right**

- 4.6 A Participant (other than a Service Provider retained to provide Investor Relations Activities) have the right (the “**Net Exercise Right**”), in lieu of the right to exercise an Option, to terminate such Option in whole or in part by notice in writing delivered by the Participant to the Company electing to exercise the Net Exercise Right and, in lieu of receiving the Optioned Shares to which such terminated Option relates, to receive the number of Optioned Shares, disregarding fractions, which is equal to the quotient obtained by:
- (a) subtracting the applicable Option exercise price per Optioned Share from the VWAP per Share on the business day immediately prior to the exercise of the Net Exercise Right and multiplying the remainder by the number of Option Shares; and
  - (b) dividing the product obtained under §4.6(a) by the VWAP per Common Share on the business day immediately prior to the exercise of the Net Exercise Right.
- 4.7 If a Participant exercises a Net Exercise Right in connection with an Option, it is exercisable only to the extent and on the same conditions that the related Option is exercisable under this Plan.

- 4.8 Exercise of an Option by use of the Net Exercise Right, in each instance, is conditional upon consent of the Company, and the Board will not be obliged to allow for use of the Net Exercise Right or to provide reasons for not allowing use thereof.

#### **Delivery of Certificate and Hold Periods**

- 4.9 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, the certificate will, if applicable, bear a legend stipulating that the Optioned Shares are subject to a four month TSX Venture hold period commencing on the applicable Grant Date.

### **ARTICLE 5 GENERAL**

#### **Employment and Services**

- 5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to the same. Participation in the Plan by an Optionee is voluntary.

#### **No Representation or Warranty**

- 5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws with respect to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

#### **Amendment by the Board**

- 5.3 Subject to any requirement under the TSX Venture Policies to obtain shareholder approval or the approval of the TSX Venture, the Board may make the following types of amendments to the Plan or any Option granted thereunder:
- (a) amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
  - (b) amendments necessary to comply with the provisions of applicable law (including the TSX Venture Policies);
  - (c) amendments respecting administration of the Plan;
  - (d) any amendment to the vesting provisions of the Plan or any Option granted thereunder;

- (e) any amendment to the early termination provisions of the Plan or any Option, whether or not such Option is held by an Insider, provided such amendment does not entail an extension beyond the original Expiry Date;
- (f) any amendments necessary to suspend or terminate the Plan; and
- (g) any other amendment, whether fundamental or otherwise, not requiring shareholder approval or disinterested shareholder approval under applicable law (including the TSX Venture Policies).

#### **Disinterested Shareholder Approval**

- 5.4 In addition to any other requirement under applicable laws (including the TSX Venture Policies) to obtain shareholder approval or disinterested shareholder approval in connection with any proposed amendment to the Plan or any Option granted thereunder, the Company will be required to obtain disinterested shareholder approval in accordance with the TSXV Policies prior to (i) any reduction in the Exercise Price of an Option previously granted to an Insider or (ii) any extension of the exercise period of an Option previously granted to an Insider.

#### **Interpretation**

- 5.5 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

#### **Continuation of Plan**

- 5.6 The Plan was approved by the shareholders of the Company and became effective on January 25, 2018 and was amended and restated on November 18, 2021 and December 11, 2023.

**SCHEDULE A**  
**SHARE OPTION PLAN**

**OPTION COMMITMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Grant Date") ELECTRIC ROYALTES LTD. (the "Company") has granted to \_\_\_\_\_, (the "Optionee"), an Option to acquire \_\_\_\_\_ Common Shares ("Optioned Shares") at any time prior to 5:00 p.m. Vancouver Time on the \_\_\_\_\_ day of, \_\_\_\_\_ (the "Expiry Date" ) at a price (the "Exercise Price") of CDN\$ \_\_\_\_\_ per share.

Optioned Shares will vest and may be exercised as follows:

[INSERT VESTING SCHEDULE] [ INSERT VESTING TERMS]

[The Option shall expire \_\_\_\_\_ days after the date the Optionee ceases to be employed by or provide services to the Company.]

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Amended Share Option Plan made effective as of November 18, 2021, which are hereby incorporated herein and forms part hereof.

To exercise your Option, deliver to the Company a written notice specifying the number of Optioned Shares you wish to acquire, together with cash, certified cheque or bank draft payable to the Company for the aggregate Exercise Price and the aggregate of any amounts required by law to be withheld by the Company on the exercise of such Option. Notwithstanding the foregoing, the Optionee may be obligated to comply with such other procedures and conditions implemented by the Company with respect to the payment, funding or withholding of such amounts to be withheld.

**ELECTRIC ROYALTIES LTD.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
[insert name of optionee]

**SCHEDULE C**  
**DEFERRED SHARE UNIT PLAN**

See attached.



**ELECTRIC ROYALTIES LTD.**  
**2025 AMENDED NON-EMPLOYEE DIRECTORS DEFERRED SHARE**  
**UNIT PLAN**

The effective date of this Plan shall be the 15th day of January, 2025.

1. PURPOSE OF THE PLAN

- 1.1 This Plan has been established by the Corporation to promote the interests of the Corporation by attracting and retaining qualified persons to serve on the Board and to promote a greater alignment of long-term interests between such Participants and the shareholders of the Corporation.

2. PLAN DEFINITIONS AND INTERPRETATIONS

In this Plan, the following terms have the following meanings:

- (a) **“Account”** means an account maintained for each Participant on the books of the Corporation which will be credited with Deferred Share Units, in accordance with the terms of the Plan.
- (b) **“Applicable Law”** means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules.
- (c) **“Board”** means the Board of Directors of the Corporation.
- (d) **“Change of Control”** means:
- (i) the acquisition whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the Securities Act (British Columbia) and the rules and regulations thereunder) of voting securities of the Corporation which, together with any other voting securities of the Corporation held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Corporation;
  - (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Corporation (including a merged or successor company) resulting from the business combination;

- (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than a subsidiary of the Corporation or other than in the ordinary course of business of the Corporation;
  - (iv) the occurrence of a transaction requiring approval of the Corporation's security holders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Corporation);
  - (v) a majority of the Board consists of individuals which management of the Corporation has not nominated for election or appointment as directors; or
  - (vi) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;
- (e) **“Committee”** means the Compensation Committee of the Board.
- (f) **“Common Shares” or “Shares”** means common shares of the Corporation and includes any securities of the Corporation into which such Common Shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed, pursuant to a Reorganization or otherwise.
- (g) **“Consultant”** means, in relation to an Corporation, an individual (other than a Director, Officer or Employee of the Corporation or of any of its subsidiaries) or Company that: (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution; (b) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Corporation, as the case may be; and (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its subsidiaries.
- (h) **“Consultant Company”** means a Consultant that is a Company.
- (i) **“Corporation”** means RE Royalties Ltd. and its respective successors and assigns, and any reference in the Plan to action by the Corporation means action by or under the authority of the Board or any person or committee that has been designated for the purpose by the Board including, without limitation, the Committee.
- (j) **“Disinterested Shareholder Approval”** has the meaning ascribed thereto by Section 5.3(b) and Section 5.3(c) of Policy 4.4;

- (k) **“DSU” or “Deferred Share Unit”** means a unit credited to a Participant by way of a bookkeeping entry in the books of the Corporation pursuant to this Plan, the value of which is equivalent in value to a Common Share.
- (l) **“Employee”** means:
  - (i) An individual who is considered an employee of the Corporation or of its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
  - (ii) an individual who works full-time for an Issuer on a bona fide basis or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for an Issuer or its subsidiary 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 Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;
- (m) **“Exchange Policies”** means the policies, orders, by-laws or regulations of the Exchange (or, if applicable, NEX Policies);
- (n) **“Grant”** means any Deferred Share Unit credited to the Account of a Participant.
- (o) **“Insider”** has the meaning provided for in the policies of the TSXV.
- (p) **“Issued Shares”** means the number of Listed Shares of the Corporation that are then issued and outstanding on a non-diluted basis and, in the discretion of the Exchange, for the purpose of this Policy, may include a number of securities of the Corporation, other than Security Based Compensation, Warrants and convertible debt, that are convertible into Listed Shares of that Corporation.
- (q) **“Investor Relations Activities”** has the same meaning as set forth in TSXV Policy 1.1 – *Interpretation*.
- (r) **“Investor Relations Service Provider”** includes any Director whose role and duties primarily consist of Investor Relations Activities.

- (s) **“Notice of Redemption”** means written notice, on a prescribed form, by the Participant, or the administrator or liquidator of the estate of the Participant, to the Corporation of the Participant’s wish to redeem his or her Deferred Share Units.
- (t) **“Participant”** means an eligible Director, Officer, Employee, Management Company Employee, Consultant or Eligible Charitable Organization that is the recipient of Security Based Compensation granted or issued by the Corporation.
- (u) **“Plan”** means this 2024 Non-Employee Directors Deferred Share Unit Plan.
- (v) **“Redemption Date”** means the date that a Notice of Redemption is received by the Corporation; provided in the case of a U.S. Eligible Participant, however, the Redemption Date will be made the earlier of (i) “separation from service” within the meaning of Section 409A of the Code, or (ii) within 90 days of the U.S. Eligible Participant’s death.
- (w) **“Reorganization”** means any (i) capital reorganization, (ii) merger, (iii) amalgamation, or (iv) arrangement or other scheme of reorganization.
- (x) **“Section 409A”** means Section 409A of the *U.S. Internal Revenue Code of 1986, as amended*, and the Treasury Regulations promulgated thereunder as in effect from time to time.
- (y) **“Security Based Compensation Arrangement”** means such security based compensation arrangements as are adopted and made effective by the Board from time to time.
- (z) **Separation Date** means the earliest date on which both of the following conditions are satisfied:
  - (i) the Participant ceases to be an Participant for any reason other than death; and
  - (ii) the Participant is no longer employed by the Corporation in any capacity.
- (aa) **“Share Price”** means the closing price of a Common Share on the TSXV averaged over the five (5) consecutive trading days immediately preceding (a) in the case of a Grant, the last day of the fiscal quarter preceding the date of Grant in respect of a director, or (b) in the case of a redemption, the Redemption Date, as applicable, or in the event such shares are not traded on the TSXV, the fair market value of such shares as determined by the Committee acting in good faith.
- (bb) **“Stock Exchange Rules”** means the applicable rules of any stock exchange upon which the Common Shares are listed.

- (cc) **“Termination Date”** means the date of a Participant’s death, or retirement from, or loss of office or employment with the Corporation, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada), including the Participant’s resignation, retirement, removal from the Board, death or otherwise.
- (dd) **“TSXV”** means the TSX Venture Exchange.
- (ee) **“U.S. Eligible Participant”** refers to a Participant who, at any time during the period from the date Deferred Share Units are granted to the Participant to the date such Deferred Share Units are redeemed by the Participant, is subject to income taxation in the United States on the income received for his or her services as a director of the Corporation and who is not otherwise exempt from U.S. income taxation under the relevant provisions of the *U.S. Internal Revenue Code of 1986, as amended*, or the *Canada-U.S. Income Tax Convention, as amended from time to time*.
- (ff) **“Vesting Date”** means the date determined in accordance with Section 5.1.

### 3. NON-EMPLOYEE DIRECTOR COMPENSATION

#### 3.1 **Establishment of Annual Base Compensation**

An annual compensation amount (the "**Annual Base Compensation**") payable to non-employee Directors (hereafter "**Directors**") of the Corporation shall be established from time-to-time by the Board. The amount of Annual Base Compensation will be reported annually in the Corporation’s management information circular. Annual Base Compensation shall include past accrued but unpaid compensation.

#### 3.2 **Payment of Annual Base Compensation**

- (a) The Annual Base Compensation shall be payable in quarterly installments, with each installment payable as promptly as practicable following the last business day of the fiscal quarter to which it applies. Quarterly payments shall be pro-rated if Board service commences or terminates during a fiscal quarter. The number of DSUs to be paid and the terms of the DSUs shall be determined as provided in the following sections of this Plan.
- (b) Each Director may elect to receive in DSUs up to 100% of his or her Annual Base Compensation by completing and delivering a written election to the Corporation on or before December 31<sup>st</sup> of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Further, where an individual

becomes a Director for the first time during a fiscal year and such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A, such individual may elect to participate in the Plan with respect to fiscal quarters of the Corporation commencing after the Corporation receives such individual's written election, which election must be received by the Corporation no later than 30 days after such individual's appointment as a Director. For greater certainty, new Directors will not be entitled to receive DSUs pursuant to an election for the quarter in which they submit their first election to the Corporation or any previous quarter. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.

- (c) All DSUs granted with respect to Annual Base Compensation will be credited to the Director's Account when such Annual Base Compensation is payable (the "**Grant Date**").
- (d) The Director's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Share Price. Fractional Common Shares will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

### 3.3 **Additional Deferred Share Units**

In addition to DSUs granted pursuant to Section 3.2, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Corporation. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. The Corporation and a Participant who receives an award of DSUs pursuant to this Section 3.3 shall enter into a DSU award agreement to evidence the award and the terms applicable thereto.

## 4. ADMINISTRATION OF DSU ACCOUNTS

### 4.1 **Transferability**

Rights respecting Deferred Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### 4.2 **Administration of Plan**

The Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan and to amend and rescind such rules and regulations from time to time;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes;
- (c) to prescribe the form of the instruments used in conjunction with the Plan; and
- (d) to determine which members of the Board are eligible to participate in the Plan.

## 5. AWARDS AND REDEMPTION OF DEFERRED SHARE UNITS

### 5.1 **Deferred Share Unit Accounts and Vesting**

- (a) All Deferred Share Units received by a Participant shall be credited to the Participant's account according to any vesting schedule recommended by the Committee and approved by the Board at its discretion. Unless otherwise determined by the Board, or as otherwise provided in this Plan, such Deferred Share Units shall cease to vest on the Separation Date and any Deferred Share Units that have not vested on the Separation Date shall be cancelled.
- (b) Notwithstanding the foregoing, unless otherwise determined by the Committee or the Board at or after the Award Date:
  - (i) any Deferred Share Units outstanding immediately prior to the occurrence of a Change in Control, Take-Over Bid or the Total Disability of the Participant, but which are not then vested, shall become fully vested on the Separation Date; and
  - (ii) any Deferred Share Units outstanding immediately prior to the Separation Date, but which are not then vested, shall become fully vested on the Separation Date if such Separation Date was the result of (i) the termination of the Participant as an Officer by the Corporation without cause, or (ii) the resignation of the Participant as an Officer, at the request of the Corporation.

### 5.2 **Redemption of Deferred Share Units**

- (a) A Deferred Share Unit must be outstanding for at least one year before it vests and may be redeemed, provided that the vesting required by this section 5.2(a) shall be accelerated for a Participant who dies or who ceases to be an eligible Participant under this Plan in connection with a change of control, take-over bid, RTO or other similar transaction.
- (b) Each Participant shall be entitled to redeem his or her Deferred Share Units during the period commencing on the business day immediately following the Termination

Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Corporation. In the event of death of a Participant, the Notice of Redemption shall be filed by the legal representative of the Participant. In the case of a U.S. Eligible Participant, however, the redemption will be deemed to be made on the earlier of (i) “separation from service” within the meaning of Section 409A, or (ii) within 90 days of the U.S. Eligible Participant’s death.

- (c) Upon redemption, the Participant shall be entitled to receive, and the Corporation shall issue or provide:
  - (i) subject to shareholder approval of this Plan and the limitations set forth in Article 6 below, a number of Common Shares issued from treasury equal to the number of Deferred Share Units in the Participant’s Account, subject to any applicable deductions and withholdings;
  - (ii) subject to and in accordance with any Applicable Law, a number of Common Shares purchased by an independent administrator of the Plan (if and when an independent administrator is so engaged by the Corporation) in the open market for the purposes of providing Common Shares to Participants under the Plan equal in number to the Deferred Share Units in the Participant’s Account, subject to any applicable deductions and withholdings;
  - (iii) in the event that the Corporation has granted Deferred Share Units pursuant to section 3.3 hereof, and if upon the redemption thereof the Corporation does not have a sufficient number of Common Shares reserved and available for issuance under this Plan, the payment of a cash amount to a Participant equal to the number of Deferred Share Units multiplied by the Share Price, subject to any applicable deductions and withholdings, in lieu of issuing Common Shares; or
  - (iv) any combination of the foregoing, as determined by the Committee, in its sole discretion.

### **5.3 Payment Notwithstanding**

Notwithstanding any other provision of this Plan, all amounts payable to, or in respect of, a Participant hereunder shall be paid on or before December 31 of the calendar year commencing immediately after the Participant’s Termination Date.

### **5.4 Exchange Hold Period and Legend**

If required by the policies of the Exchange, the certificates representing Common Shares issued upon the redemption of Deferred Share Units (if redeemed prior to the expiry of the Exchange Hold Period) will bear the following Exchange Hold Period legend:



“Without prior written approval of TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date that is four months and a day after the distribution date].”

## 5.5 **Limitation of Liability**

No member of the Committee or the Board shall be liable for any action or determination made in good faith pursuant to the Plan. To the full extent permitted by law, the Corporation shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such person is or was a member of the Committee or is or was a member of the Board and, as such, is or was required or entitled to take action pursuant to the terms of the Plan. The expenses of administering the Plan shall be borne by the Corporation.

## 6. ALTERATION OF NUMBER OF SHARES SUBJECT TO THE PLAN

### 6.1 **Subdivisions or Consolidations**

In the event that the Common Shares shall be subdivided or consolidated into a different number of Common Shares or a distribution shall be declared upon the Common Shares payable in Common Shares, the number of DSUs then recorded in the Director’s Account shall be adjusted by replacing such number by a number equal to the number of Common Shares which would be held by the Director immediately after the distribution, subdivision or consolidation, should the Director have held a number of Common Shares equal to the number of DSUs recorded in the Director’s Account on the record date fixed for such distribution, subdivision or consolidation.

### 6.2 **Reorganizations**

In the event there shall be any change, other than as specified in Section 6.1, in the number or kind of outstanding Common Shares or of any shares or other securities into which such Common Shares shall have been changed or for which they shall have been exchanged, pursuant to a Reorganization or otherwise, then there shall be substituted for each Common Share referred to in the Plan or for each share into which such Common Share shall have been so changed or exchanged, the kind of securities into which each outstanding Common Share shall be so changed or exchanged and an equitable adjustment shall be made, if required, in the number of DSUs then recorded in the Director’s Account, such adjustment, if any, to be reasonably determined by the Committee and to be effective and binding for all purposes.

### 6.3 **Adjustments**

In the case of any such substitution, change or adjustment as provided for in this Section 6, the variation shall generally require that the number of DSUs then recorded in the Director’s Account prior to such substitution, change or adjustment will be proportionately and appropriately varied.

## 7. RESTRICTIONS ON ISSUANCES

### 7.1 **Maximum Number of DSUs**

The maximum aggregate number of Shares that may be reserved for issuance under this Plan, together with all other Security Based Compensation Arrangement, at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any security-based compensation under any of such Security Based Compensation Arrangement.

### 7.2 **Insider Participation Limits**

The maximum number of Shares issued to Insiders pursuant to the Plan, together with any Shares issued pursuant to any other Security Based Compensation Arrangement, within any one-year period, shall not exceed 10% of the total number of weighted average number of Shares outstanding during the year.

### 7.3 **Other Restrictions and Limits**

If and for so long as the Corporation's Common Shares are listed on the Exchange: (i) no Deferred Share Units may be issuable to any Investor Relations Service Providers; and (ii) the number of Common Shares which may be issuable under the Plan and any other Security Based Compensation Plan:

- (a) to any one Participant, shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis at the Grant Date, unless the Corporation has obtained Disinterested Shareholder Approval in accordance with TSXV Policy 4.4 – Security Based Compensation to exceed such limit;
- (b) within any one-year period:
  - (i) to any one Participant, shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis, unless the Corporation has obtained Disinterested Shareholder Approval in accordance with TSXV Policy 4.4 – Security Based Compensation to exceed such limit;
  - (ii) to Insiders as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis, unless the Corporation has obtained Disinterested Shareholder Approval in accordance with TSXV Policy 4.4 – Security Based Compensation to exceed such limit;
- (c) to Insiders as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis, unless the Corporation has

obtained Disinterested Shareholder Approval in accordance with TSXV Policy 4.4 – Security Based Compensation to exceed such limit; and

- (d) to any one Consultant in any 12-month period must not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis, calculated as at the date any Security Based Compensation is granted or issued to such Consultant.
- (e) All DSUs are non-assignable and non-transferable.
- (f) Investor Relations Service Providers may not receive Deferred Share Units.

## 8. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

### 8.1 **Amendment to the Plan**

Until such time as the Corporation receives shareholder approval of the issuances from treasury contemplated in Section 4.2(b)(i), the Plan may be amended, suspended or terminated at any time by the Board in whole or in part. No amendment of the Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to DSUs granted prior to the date of the amendment.

Following shareholder approval of any issuances from treasury as contemplated in Section 4.2(b)(i), the Board may at any time, and from time to time, and without shareholder approval, amend any provision of the Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan including amendments of a “clerical” or “housekeeping” nature;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;
- (c) amendments to the termination provisions of Section 8.2;
- (d) amendments necessary or advisable because of any change in Applicable Laws;
- (e) amendments to Section 4.2 relating to the administration of the Plan; and
- (f) any other amendment, fundamental or otherwise, not requiring shareholder approval under Applicable Laws provided, however, that no such amendment of the Plan may be made without the consent of each affected Participant in the Plan

if such amendment would adversely affect the rights of such affected Participant(s) under the Plan; and

- (g) shareholder approval shall be obtained in accordance with the requirements of the TSXV for any amendment:
  - (i) to Section 7.1 in order to increase the maximum number of Deferred Share Units which may be issued under this Plan (other than pursuant to Section 6);
  - (ii) to Section 8.1; or
  - (iii) to the definition of “Participant”.
- (h) Disinterested shareholder approval must be obtained in accordance with the requirements of the TSXV for any amendment:
  - (i) The DSU Plan, together with any other security-based compensation plan of the Corporation could result, at any time in:
    - (A) the aggregate number of Listed Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) exceeding 10% of the Issued Shares of the Corporation at any point in time;
    - (B) the aggregate number of Listed Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) exceeding 10% of the Issued Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to any Insider; or
    - (C) the aggregate number of Listed Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (and where permitted under this Policy, any Companies that are wholly owned by that Person) exceeding 5% of the Issued Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Person;
  - (ii) any individual Security Based Compensation grant or issue that would result in any of the limits set forth in this section 8.1(h) being exceeded if the Corporation’s Security Based Compensation Plans do not permit these limits to be exceeded;
  - (iii) any individual Security Based Compensation grant or issue requiring Shareholder approval pursuant to this section 8.1(h); and

- (iv) any amendment to Security Based Compensation that results in a benefit to an Insider, and for further clarity, if an Corporation cancels any Security Based Compensation and within one-year grants or issues new Security Based Compensation to the same Person, that is considered an amendment.

## 8.2 **Plan Termination**

The Committee may decide to discontinue granting awards under the Plan at any time in which case no further Deferred Share Units shall be awarded or credited under the Plan. Any Deferred Share Units which remain outstanding in a Participant's Account at that time shall continue to be dealt with according to the terms of the Plan. The Plan shall terminate when all payments owing pursuant to Section 5.2 of the Plan have been made and all Deferred Share Units have been cancelled in all Participants' Accounts.

## 9. GENERAL PROVISIONS

### 9.1 **Withholding**

The Corporation shall not have any responsibility for or in respect of the tax consequences of a grant of Deferred Share Units to, or the receipt of Deferred Share Units or payout in respect thereof by, Participants under this Plan or otherwise in respect of the Participant's participation under the Plan. The Corporation may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary or desirable as determined by the Corporation in its sole discretion so as to ensure that the Corporation will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding or remittance of tax or other required deductions or amounts, including on the amount, if any, includable in the income of a Participant. The Corporation shall also have the right in its discretion to satisfy any such withholding tax liability by retaining, acquiring or selling (on such terms as the Corporation determines in its sole discretion, and, in the case of a sale, without any requirement to obtain the best possible price) on behalf of a Participant any Common Shares which would otherwise be issued or provided to a Participant hereunder, or to require a Participant, as a condition of receiving anything under this Plan, to deliver cash or certified cheque payable to the Corporation for the amount of applicable tax as determined by the Corporation in its sole discretion.

### 9.2 **Assignability**

No right to receive payment of DSUs and other benefits under the Plan shall be transferable or assignable by a Participant except by will or laws of descent and distribution.

### 9.3 **Unfunded Plan**

Unless otherwise determined by the Committee, the Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured creditor of the Corporation.

#### **9.4 Final Determination**

Any determination or decision by or opinion of the Committee made or held pursuant to the terms of the Plan shall be final, conclusive and binding on all parties concerned. All rights, entitlements and obligations of Participants under the Plan are set forth in the terms of the Plan and cannot be modified by any other documents, statements or communications, except by Plan amendments referred to in Section 8.1 of the Plan.

#### **9.5 No Right to Employment**

Participation in the Plan shall not be construed to give any Participant a right to be retained as a Director.

#### **9.6 No Other Benefit**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

#### **9.7 No Shareholder Rights**

Under no circumstances shall Deferred Share Units be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares nor shall any Participant be considered the owner of Common Shares by virtue of the award of Deferred Share Units.

#### **9.8 Reorganization of the Corporation**

The existence of any Deferred Share Units shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **9.9 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation.

#### 9.10 **General Restrictions and Assignment**

Except as required by law, the rights of a Participant under the Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

#### 9.11 **Section 409A**

It is intended that the provisions of this Plan comply with Section 409A, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Notwithstanding anything in the Plan to the contrary, the following will apply with respect to the rights and benefits of U.S. Eligible Participants under the Plan:

- (a) Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to or for the benefit of a U.S. Eligible Participant may not be reduced by, or offset against, any amount owing by the U.S. Eligible Participant to the Corporation or any of its affiliates.
- (b) If a U.S. Eligible Participant becomes entitled to receive payment in respect of any Deferred Share Units as a result of his or her “separation from service” (within the meaning of Section 409A), and the U.S. Eligible Participant is a “specified employee” (within the meaning of Section 409A) at the time of his or her separation from service, and the Committee makes a good faith determination that (i) all or a portion of the Deferred Share Units constitute “deferred compensation” (within the meaning of Section 409A) and (ii) any such deferred compensation that would otherwise be payable during the six-month period following such separation from service is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then payment of such “deferred compensation” shall not be made to the U.S. Eligible Participant before the date which is six months after the date of his or her separation from service (and shall be paid in a single lump sum on the first day of the seventh month following the date of such separation from service) or, if earlier, the U.S. Eligible Participant’s date of death.
- (c) A U.S. Eligible Participant’s status as a specified employee shall be determined by the Corporation as required by Section 409A on a basis consistent with the regulations under Section 409A and such basis for determination will be consistently applied to all plans, programs, contracts, agreements, etc. maintained by the Corporation that are subject to Section 409A.

- (d) Each U.S. Eligible Participant, any beneficiary or the U.S. Eligible Participant's estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Eligible Participant in connection with this Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any affiliate shall have any obligation to indemnify or otherwise hold such U.S. Eligible Participant or beneficiary or the U.S. Eligible Participant's estate harmless from any or all of such taxes or penalties.
- (e) In the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A prior to payment to such Participant of such amount, the Corporation may (i) adopt such amendments to the Plan and Deferred Share Units and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Deferred Share Units hereunder and/or (ii) take such other actions as the Committee determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A.
- (f) Notwithstanding the provisions in Section ●, upon termination of the Plan payments will be made in accordance with the regulations issued under 409A regarding payments upon the termination of a nonqualified deferred compensation plan.

#### 9.12 Forfeiture Provision

If a Participant is subject to tax under the *Income Tax Act* (Canada) and also is a U.S. Eligible Participant with respect to DSUs, the following special rules regarding forfeiture of such Deferred Share Units will apply if the Participant's DSUs are subject to Section 409A. For greater clarity, these forfeiture provisions are intended to avoid adverse tax consequences under Section 409A and/or under paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada), that may result because of the different requirements as to the time of settlement of Deferred Share Units with respect to a Participant's "separation from service" (within the meaning of Section 409A) ("**Separation From Service**") and his retirement or loss of office (under tax laws of Canada). If a Participant otherwise would be entitled to payment of DSUs in any of the following circumstances, such DSUs shall instead be immediately and irrevocably forfeited (for greater certainty, without any compensation therefore):

- (a) a Participant experiences a Separation From Service as a result of a permanent decrease in the level of services provided to less than 20% of his past service in circumstances that do not constitute a retirement from, or loss of office or employment with, the Corporation or an affiliate thereof, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada); or



- (b) a Participant experiences a Separation From Service upon ceasing to be a director while continuing to provide services as an employee in circumstances that do not constitute a retirement from, or loss of office or employment with, the Corporation or an affiliate thereof, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada); or
- (c) a Participant experiences a serious disability that continues for more than 29 months in circumstances that constitute a Separation from Service and do not constitute a retirement from, or loss of office or employment with, the Corporation or an affiliate thereof, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada); or
- (d) a Participant experiences a retirement from, or loss of office or employment with, the Corporation or an affiliate thereof, within the meaning of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) by virtue of ceasing employment as both an employee and as a director, but he continues to provide services as an independent contractor such that he has not experienced a Separation From Service.

#### 9.13 **Interpretation**

In this text, words importing the singular meaning shall include the plural and vice versa, and words importing the masculine shall include the feminine and neuter genders.

#### 9.14 **Governing Law**

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

#### 9.15 **Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

**SCHEDULE D**  
**RESTRICTED SHARE UNIT PLAN**

See attached.

**ELECTRIC ROYALTIES LTD.  
2025 AMENDED RESTRICTED SHARE UNIT PLAN**

EFFECTIVE DATE: January 15, 2025

1. PURPOSE

- 1.1 This Plan has been established by the Corporation to assist the Corporation in the recruitment and retention of highly qualified employees and consultants by providing a means to reward superior performance, to motivate Participants under the Plan to achieve important corporate and personal objectives and, through the issuance of Share Units in the Corporation to Participants under the Plan, to better align the interests of Participants with the long-term interests of Shareholders.

2. PLAN DEFINITIONS AND INTERPRETATIONS

In this Plan, the following terms have the following meanings:

- (a) “**Account**” means the bookkeeping account established and maintained by the Corporation for each Participant in which the number of Share Units of the Participant are recorded;
- (b) “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules;
- (c) “**Beneficiary**” means any person designated by the Participant as his or her beneficiary under the Plan in accordance with Section 14.1 or, failing any such effective designation, the Participant’s legal representative;
- (d) “**Board**” means the Board of Directors of the Corporation;
- (e) “**Change of Control**” means:
  - (i) the acquisition whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the Securities Act (British Columbia) and the rules and regulations thereunder) of voting securities of the Corporation which, together with any other voting securities of the Corporation held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Corporation;
  - (ii) (an amalgamation, arrangement or other form of business combination of the Corporation with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Corporation (including a merged or successor company) resulting from the business combination; or

- (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than a subsidiary of the Corporation or other than in the ordinary course of business of the Corporation;
- (f) “**Committee**” means the Compensation Committee of the Board or any other committee or person designated by the Board to administer the Plan, provided, however, if the Corporation ceases to qualify as a “foreign private issuer” (as defined in Rule 3b-4 under the Exchange Act), the Committee shall be a committee of the Board comprised of not less than two directors, and each member of the Committee shall be a “non-employee director” within the meaning of Rule 16b-3;
- (g) “**Corporation**” means RE Royalties Ltd. and its respective successors and assigns, and any reference in the Plan to action by the Corporation means action by or under the authority of the Board or any person or committee that has been designated for the purpose by the Board including, without limitation, the Committee;
- (h) “**Designated Subsidiary**” means an entity (including a partnership) in which the Corporation holds, directly or indirectly, a majority voting interest and which has been designated by the Corporation for purposes of the Plan from time to time;
- (i) “**Director**” means a director of the Corporation;
- (j) “**Eligible Participant**” means a Director or an Officer who, in the opinion of the Committee, has a capacity for contributing in a substantial measure to the successful performance of the Corporation or a related entity;
- (k) “**Eligible Consultant**” means an individual, other than an Employee, that (i) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Corporation or any Designated Subsidiary under a written contract between the Corporation or the Designated Subsidiary and the individual or a company of which the individual consultant is an employee, (ii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Designated Subsidiary, and (iii) does not provide services in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the registrant's securities;
- (l) “**Employee**” means an employee of the Corporation or any of its Designated Subsidiaries or any combination or partnership of such corporations;
- (m) “**Employer**” means the Corporation, the Designated Subsidiary or the combination or partnership of such corporations that employs the Participant or that employed the Participant immediately prior to the Participant’s Termination Date;
- (n) “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended;
- (o) “**Exchange Hold Period**” has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

- (p) **“Expiry Date”** means, with respect to Share Units granted to a Participant, the date determined by the Corporation for such purpose for such grant, which date shall be no later than (and unless otherwise determined on the Grant Date shall be) December 31 of the calendar year in which the third anniversary of the Grant Date occurs;
- (q) **“Fiscal Year”** means a fiscal year of the Corporation;
- (r) **“Grant Agreement”** means an agreement between the Corporation and a Participant under which Share Units are granted, together with such amendments, deletions or changes thereto as are permitted under the Plan;
- (s) **“Grant Date”** of a Share Unit means the date a Share Unit is granted to a Participant under the Plan;
- (t) **“Insider”** has the meaning provided for purposes of the TSXV relating to Security Based Compensation Arrangements;
- (u) **“Investor Relations Activities”** means generally any activities or communications that can reasonably be seen to be intended to or be primarily intended to promote the merits or awareness of or the purchase or sale of securities of the Corporation;
- (v) **“Joint Actor”** means a person acting “jointly or in concert with” another person within the meaning of Section 96 of the *Securities Act* (British Columbia) or as such section may be amended or re-enacted from time to time;
- (w) **“Market Value”** with respect to a Share as at any date means the arithmetic average of the closing price of the Shares traded on the TSXV for the five (5) trading days on which a board lot was traded immediately preceding such date (or, if the Shares are not then listed and posted for trading on the TSXV, on such stock exchange on which the Shares are then listed and posted for trading as may be selected for such purpose by the Corporation). In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the Market Value of the Shares as determined by the Board in its discretion, acting reasonably and in good faith;
- (x) **“Officer”** means an individual who is an officer of the Corporation or of a Related Entity;
- (y) **“Outstanding Shares”** means at the relevant time, the number of outstanding Common Shares of the Corporation from time to time;
- (z) **“Participant”** means a bona fide full-time or part-time Employee, an Eligible Consultant, an executive Officer or an executive Director who, in any such case, has been designated by the Corporation for participation in the Plan. For clarity, in no event shall a Participant be a non-executive Director of the Corporation.
- (aa) **“Payout Date”** means a date selected by the Corporation, in accordance with and as contemplated by Sections 3.2, 6.1 and 7.1.

- (bb) “**Plan**” means this 2024 Restricted Share Unit Plan;
- (cc) **Related Entity** means a person that is controlled by the Corporation. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of:
  - (i) ownership of or direction over voting securities in the second person;
  - (ii) a written agreement or indenture;
  - (iii) being the general partner or controlling the general partner of the second person; or
  - (iv) being a trustee of the second person;
- (dd) “**Reorganization**” means any (i) capital reorganization, (ii) merger, (iii) amalgamation, or (iv) arrangement or other scheme of reorganization;
- (ee) “**Rule 3b-4**” means Rule 3b-4 promulgated by the Securities and Exchange Commission under the Exchange Act or any successor rule or regulation;
- (ff) “**Rule 16b-3**” means Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act or any successor rule or regulation;
- (gg) “**Section 409A**” means Section 409A of the *U.S. Internal Revenue Code of 1986*, as amended, and the Treasury Regulations promulgated thereunder as in effect from time to time;
- (hh) “**Securities Act**” means the U.S. Securities Act of 1933, as amended;
- (ii) “**Security Based Compensation Arrangement**” means such security based compensation arrangements as are adopted and made effective by the Board from time to time;
- (jj) “**Shareholders**” means the holders of Shares;
- (kk) “**Shares**” mean common shares of the Corporation and includes any securities of the Corporation into which such common shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed, pursuant to a Reorganization or otherwise;
- (ll) “**Share Unit**” means a unit credited by means of an entry on the books of the Corporation to a Participant pursuant to the Plan, representing the right to receive, subject to and in accordance with the Plan, for each Vested Share Unit one Share or the other consideration as referred to in the Plan, at the time, in the manner, and subject to the terms, set forth in the Plan and the applicable Grant Agreement;
- (mm) “**Stock Exchange Rules**” means the applicable rules of any stock exchange upon which Shares are listed;

- (nn) “**Termination Date**” means the date on which a Participant ceases, for any reason including resignation, termination, death or disability, to be an active Employee, an Eligible Consultant, or a director, as the case may be, and, in the case of a Participant who is an Employee, where the employment is terminated by the Employer, whether wrongful or for cause or otherwise, such date shall be the date notice of termination is provided and, in the case of a Participant who is an Eligible Consultant, the date the written contract between the Eligible Consultant and the Corporation or any Designated Subsidiary is terminated or expires and the Eligible Consultant no longer provides services thereunder.
- (oo) “**TSXV**” means the TSX Venture Exchange.
- (pp) “**Vested Share Units**” shall mean Share Units in respect of which all vesting terms and conditions set forth in the Plan and the applicable Grant Agreement have been either satisfied or waived in accordance with the Plan.

2.2 In this Plan, unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

### 3. GRANT OF SHARE UNITS AND TERMS

3.1 The Corporation may grant Share Units to such Participant or Participants in such number and at such times as the Corporation may, in its sole discretion, determine. Unless otherwise determined by the Corporation in its sole discretion, a grant of Share Units to a Participant in any calendar year will represent a right to a bonus or similar payment to be received for services rendered by such Participant to the Corporation or a Designated Subsidiary, as the case may be, in the Corporation’s or Designated Subsidiary’s fiscal year ending in, or coincident with, such calendar year.

3.2 In granting any Share Units pursuant to Section 3.1, the Corporation shall designate:

- (a) the number of Share Units which are being granted to the Participant;
- (b) any time based conditions as to vesting of the Share Units to become Vested Share Units;
- (c) the Payout Date, which shall in no event be later than the Expiry Date and, unless otherwise determined on the Grant Date, shall be the third anniversary of the Grant Date; and
- (d) the Expiry Date, which date shall be no later than (and, unless otherwise determined on the Grant Date, shall be) December 31 of the calendar year in which the third anniversary of the Grant Date occurs;

of which the items in (a) and (b) shall be set out in the Grant Agreement, and the Payout Date and Expiry Date may be set out in the Grant Agreement in the Corporation’s sole discretion.

- 3.3 The conditions may relate to all or any portion of the Share Units in a grant and may be graduated such that different percentages of the Share Units in a grant will become Vested Share Units depending on the extent of satisfaction of one or more such conditions. The Corporation may, in its discretion and having regard to the best interests of the Corporation, subsequent to the Grant Date of a Share Unit, waive any resulting conditions, provided that the waiver of such conditions will not accelerate the time of payment with respect to such Share Units, and the payout will occur on the Payout Date as set forth in the Grant Agreement or pursuant to Sections 7.1 or 8.3 of the Plan, if applicable.
- 3.4 A Share Unit must be outstanding for at least one year before it vests and may be redeemed, provided that the vesting required by this section 3.4 shall be accelerated for a Participant who dies or who ceases to be an eligible Participant under this Plan in connection with a change of control, take-over bid, RTO or other similar transaction.

4. GRANT AGREEMENT

- 4.1 Each grant of a Share Unit will be set forth in a Grant Agreement containing terms and conditions required under the Plan and such other terms and conditions not inconsistent herewith as the Corporation may, in its sole discretion, deem appropriate.

5. SHARE UNIT GRANTS AND ACCOUNTS

- 5.1 An Account shall be maintained by the Corporation for each Participant. On the Grant Date, the Account will be credited with the Share Units granted to a Participant on that date.

6. PAYOUTS

- 6.1 On each Payout Date, the Participant shall be entitled to receive, and the Corporation shall issue or provide, a payout with respect to those Vested Share Units in the Participant's Account to which the Payout Date relates, in one of the following forms:
- (a) subject to shareholder approval of this Plan and the limitations set forth in Section 11.2 below, Shares issued from treasury equal in number to the Vested Share Units in the Participant's Account to which the Payout Date relates, net of any applicable deductions and withholdings;
  - (b) subject to and in accordance with any Applicable Law, Shares purchased by an independent administrator of the Plan in the open market for the purposes of providing Shares to Participants under the Plan equal in number to the Vested Share Units in the Participant's Account to which the Payout Date relates, net of any applicable deductions and withholdings;
  - (c) the payment of a cash amount to a Participant on the Payout Date equal to the number of Vested Share Units in respect of which the Corporation makes such a determination, multiplied by the Market Value on the Payout Date, net of any applicable deductions and withholdings; or
  - (d) any combination of the foregoing,



as determined by the Corporation, in its sole discretion.

- 6.2 No fractional Shares shall be issued and any fractional entitlements will be rounded down to the nearest whole number.
- 6.3 Shares issued by the Corporation from treasury under Section 6.1(a) of this Plan shall be considered fully paid in consideration of past service that is no less in value than the fair equivalent of the money the Corporation would have received if the Shares had been issued for money.
- 6.4 The Corporation or a Designated Subsidiary may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary so as to ensure that the Corporation or the Designated Subsidiary will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. Each of the Corporation or a Designated Subsidiary shall also have the right in its discretion to satisfy any such withholding tax liability by retaining, acquiring or selling on behalf of a Participant any Shares which would otherwise be issued or provided to a Participant hereunder.

## 7. CHANGE OF CONTROL

- 7.1 Notwithstanding the conditions as to vesting of Share Units contained in any individual Grant Agreement, all outstanding Share Units shall become Vested Share Units on any Change of Control and, except as otherwise provided in Section 16 hereof, the Payout Date in connection with such Vested Share Units shall, notwithstanding any provisions in the Grant Agreement, be accelerated to the date of such Change of Control and the Corporation shall, as soon as practicable following such Change of Control, issue or provide Shares or make payments to such Participants with respect to such Vested Share Units in accordance with Section 6.

## 8. TERMINATION OF EMPLOYMENT AND FORFEITURES

- 8.1 Unless otherwise determined by the Corporation pursuant to Section 8.2, on a Participant's Termination Date, any Share Units in a Participant's Account which are not Vested Share Units shall terminate and be forfeited.
- 8.2 Notwithstanding Section 8.1, where a Participant ceases to be an Employee as a result of the termination of his or her employment without cause, then in respect of each grant of Share Units made to such Participant, at the Corporation's discretion, all or a portion of such Participant's Share Units may be permitted to continue to vest, in accordance with their terms, during any statutory or common law severance period or any period of reasonable notice required by law or as otherwise may be determined by the Corporation in its sole discretion.
- 8.3 Except as otherwise provided in Section 16, in the event a Participant's Termination Date is prior to the Payout Date with respect to any Vested Share Units in such Participant's Account, the Payout Date with respect to such Vested Share Units shall, notwithstanding any provision in the Grant Agreement, be accelerated to the Participant's Termination

Date and the Corporation shall, as soon as practicable following such Termination Date, issue or provide Shares or make payment to such Participant, or Beneficiary thereof, as applicable, with respect to such Vested Share Units in accordance with Section 6.

9. FORFEITED UNITS

9.1 Notwithstanding any other provision of the Plan or a Grant Agreement, Share Units granted hereunder shall terminate on, if not redeemed or previously terminated and forfeited in accordance with the Plan, and be of no further force and effect after, the Expiry Date.

10. ALTERATION OF NUMBER OF SHARES SUBJECT TO THE PLAN

10.1 In the event that the Shares shall be subdivided or consolidated into a different number of Shares or a distribution shall be declared upon the Shares payable in Shares, the number of Share Units then recorded in the Participant's Account shall be adjusted by replacing such number by a number equal to the number of Shares which would be held by the Participant immediately after the distribution, subdivision or consolidation, should the Participant have held a number of Shares equal to the number of Share Units recorded in the Participant's Account on the record date fixed for such distribution, subdivision or consolidation.

10.2 In the event there shall be any change, other than as specified in Section 10.1, in the number or kind of outstanding Shares or of any shares or other securities into which such Shares shall have been changed or for which they shall have been exchanged, pursuant to a Reorganization or otherwise, then there shall be substituted for each Share referred to in the Plan or for each share into which such Share shall have been so changed or exchanged, the kind of securities into which each outstanding Share shall be so changed or exchanged and an equitable adjustment shall be made, if required, in the number of Share Units then recorded in the Participant's Account, such adjustment, if any, to be reasonably determined by the Committee and to be effective and binding for all purposes.

10.3 In the case of any such substitution, change or adjustment as provided for in this Section 10, the variation shall generally require that the aggregate Market Value of the Share Units then recorded in the Participant's Account prior to such substitution, change or adjustment will be proportionately and appropriately varied so that it be equal to such aggregate Market Value after the variation.

11. RESTRICTIONS ON ISSUANCES

11.1 The maximum aggregate number of Shares that may be reserved for issuance under this Plan, together with all other Security Based Compensation Arrangement, at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any security-based compensation under any of such Security Based Compensation Arrangement.

11.2 The maximum number of Shares issued to Insiders pursuant to the Plan, together with any Shares issued pursuant to any other Security Based Compensation Arrangement, within any one-year period, shall not exceed 10% of the total number of weighted average number of common shares outstanding during the year.

- 11.3 The maximum number of Share Units granted to any individual must not exceed 1% of the issued shares, and the aggregate number shares issued for all RSU grants in a 12 (twelve) month period must not exceed 2% of the issued Outstanding Shares.
- 11.4 Subject to 11.3 and 11.6, no Participant can be granted Share Units if those Share Units together with all other Security Based Compensation Arrangements granted to such Participant in the previous 12 months, exceed 5% of the Outstanding Shares, unless the Corporation has obtained Disinterested Shareholder Approval (as defined under the TSXV Policies) to do so.
- 11.5 Share Units may not be granted under this RSU Plan to persons retained to provide Investor Relations Activities.
- 11.6 The aggregate number of Share Units, together with all other Security Based Compensation Arrangements granted to any one Participant who is a Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV.
- 11.7 All RSUs are non-assignable and non-transferable.

12. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

- 12.1 Until such time as the Corporation receives shareholder approval of the issuances from treasury contemplated in Section 6.1(a), the Plan may be amended, suspended or terminated at any time by the Board in whole or in part. No amendment of the Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to Share Units granted prior to the date of the amendment.
- 12.2 Following shareholder approval of any issuances from treasury as contemplated by Section 6.1(a), the Corporation may, without notice, at any time and from time to time, and without shareholder approval, amend the Plan or any provisions thereof in such manner as the Corporation, in its sole discretion, determines appropriate, including, without limitation:
  - (a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
  - (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;
  - (c) to change the vesting provisions of Share Units;
  - (d) to change the termination provisions of Share Units or the Plan which does not entail an extension beyond the original Expiry Date of the Share Units;
  - (e) to make the amendments contemplated by Section 16.1(g); or

- (f) to make any amendments necessary or advisable because of any change in Applicable Law;

provided, however, that:

- (g) no such amendment of the Plan may be made without the consent of each affected Participant in the Plan if such amendment would adversely affect the rights of such affected Participant(s) under the Plan; and
- (h) shareholder approval shall be obtained in accordance with the requirements of the TSXV for any amendment that results in:
  - (i) an increase in the maximum number of Common Shares issuable pursuant to the Amended RSU Plan other than as already contemplated in the Amended RSU Plan;
  - (ii) persons eligible to be granted or issued Share Units under the Plan;
  - (iii) the number or percentage issued and outstanding Shares available for grant under this Plan;
  - (iv) the limits under the Plan on the amount of Share Units that may be granted to any one person or any category of person;
  - (v) the method of calculation of redemption of Share Units held by Eligible Persons;
  - (vi) the maximum term of Share Units; and
  - (vii) an extension to the term for redemption of RSUs held by Eligible Persons;
- (i) Disinterested shareholder approval must be obtained in accordance with the requirements of the TSXV for any amendment:
  - (i) The RSU Plan, together with any other security-based compensation plan of the Corporation could result, at any time in:
    - (A) the aggregate number of Listed Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) exceeding 10% of the Issued Shares of the Corporation at any point in time;
    - (B) the aggregate number of Listed Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to Insiders (as a group) exceeding 10% of the Issued Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to any Insider; or

- (C) the aggregate number of Listed Shares of the Corporation that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (and where permitted under this Policy, any Companies that are wholly owned by that Person) exceeding 5% of the Issued Shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Person;
  - (ii) any individual Security Based Compensation grant or issue that would result in any of the limits set forth in this section 12.2 being exceeded if the Corporation's Security Based Compensation Plans do not permit these limits to be exceeded;
  - (iii) any individual Security Based Compensation grant or issue requiring Shareholder approval pursuant to this section 12.2(i); and
  - (iv) any amendment to Security Based Compensation that results in a benefit to an Insider, and for further clarity, if an Corporation cancels any Security Based Compensation and within one-year grants or issues new Security Based Compensation to the same Person, that is considered an amendment.
- 12.3 If the Corporation terminates the Plan, Share Units previously credited shall, at the discretion of the Corporation, either (a) be settled immediately in accordance with the terms of the Plan in effect at such time, or (b) remain outstanding and in effect and settled in due course in accordance with the applicable terms and conditions, in either case without shareholder approval.
13. ADMINISTRATION
- 13.1 Unless otherwise determined by the Board, the Plan shall be administered by the Committee subject to Applicable Laws. The Committee shall have full and complete authority to interpret the Plan, to prescribe such rules and regulations and to make such other determinations as it deems necessary or desirable for the administration of the Plan. All actions taken and decisions made by the Committee shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Participants and their beneficiaries and legal representatives, each Designated Subsidiary and the Corporation. All expenses of administration of the Plan shall be borne by the Corporation.
- 13.2 The Corporation shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties. At such times as the Corporation shall determine, the Corporation shall furnish the Participant with a statement setting forth the details of his or her Share Units including the Grant Date and the Vested Share Units and unvested Share Units held by each Participant. Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is given to the Corporation within 30 days after such statement is given to the Participant.

13.3 The Corporation may, at its discretion, appoint one or more persons or companies to provide services in connection with the Plan including without limitation, administrative and record-keeping services.

14. BENEFICIARIES AND CLAIMS FOR BENEFITS

14.1 Subject to the requirements of Applicable Law, a Participant may designate in writing a Beneficiary to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form and executed and filed in such manner as the Corporation may from time to time determine.

15. GENERAL

15.1 The transfer of an Employee from the Corporation to a Designated Subsidiary, from a Designated Subsidiary to the Corporation or from a Designated Subsidiary to another Designated Subsidiary, shall not be considered a termination of employment for the purposes of the Plan, nor shall it be considered a termination of employment if a Participant is placed on such other leave of absence which is considered by the Corporation as continuing intact the employment relationship.

15.2 The Plan shall enure to the benefit of and be binding upon the Corporation, its successors and assigns. The interest of any Participant under the Plan or in any Share Unit shall not be transferable or assignable other than by operation of law, except, if and on such terms as the Corporation may permit, to a spouse or minor children or grandchildren or a personal holding company or family trust controlled by a Participant, the sole shareholders or beneficiaries of which, as the case may be, are any combination of the Participant, the Participant's spouse, the Participant's minor children or the Participant's minor grandchildren, and after his or her lifetime shall enure to the benefit of and be binding upon the Participant's Beneficiary, on such terms and conditions as are appropriate for such transferees to be included in the class of transferees who may rely on a Form S-8 registration statement under the Securities Act to sell shares received pursuant to the Share Unit.

15.3 The Corporation's grant of any Share Units or issuance of any Shares hereunder is subject to compliance with Applicable Law applicable thereto. As a condition of participating in the Plan, each Participant agrees to comply with all Applicable Law and agrees to furnish to the Corporation or a Designated Subsidiary all information and undertakings as may be required to permit compliance with Applicable Law.

15.4 The Corporation shall not have any responsibility for or in respect of the tax consequences of a grant of Share Units to, or the receipt of Share Units or payout in respect thereof by, Participants under this Plan or otherwise in respect of the Participants' participation under the Plan. The Corporation or a Designated Subsidiary may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary or desirable as determined by the Corporation in its sole discretion so as to ensure that the Corporation or the Designated Subsidiary will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding or remittance of tax or other required deductions or amounts, including on the

amount, if any, includable in the income of a Participant. The Corporation shall also have the right in its discretion to satisfy any such withholding tax liability by retaining, acquiring or selling (on such terms as the Corporation determines in its sole discretion, and, in the case of a sale, without any requirement to obtain the best possible price) on behalf of a Participant any Shares which would otherwise be issued or provided to a Participant hereunder, or to require a Participant, as a condition of receiving anything under this Plan, to deliver cash or certified cheque payable to the Corporation for the amount of applicable tax as determined by the Corporation in its sole discretion.

- 15.5 A Participant shall not have the right or be entitled to exercise any voting rights, receive any distribution or have or be entitled to any other rights as a Shareholder in respect of any Share Units.
- 15.6 Neither designation of an Employee as a Participant nor the grant of any Share Units to any Participant entitles any Participant to the grant, or any additional grant, as the case may be, of any Share Units under the Plan. Neither the Plan nor any action taken thereunder shall interfere with the right of the Corporation or a Designated Subsidiary to terminate a Participant's employment, or service under contract, at any time. Neither any period of notice, if any, nor any payment in lieu thereof, upon termination of employment, wrongful or otherwise, shall be considered as extending the period of employment for the purposes of the Plan.
- 15.7 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect any Employee's employment or any consultant's contractual relationship with the Corporation or a Designated Subsidiary.
- 15.8 The Plan shall be an unfunded obligation of the Corporation. Neither the establishment of the Plan nor the grant of any Share Units or the setting aside of assets by the Corporation (if, in its sole discretion, it chooses to do so) shall be deemed to create a trust. The right of the Participant or Beneficiary to receive payment pursuant to the Plan shall be no greater than the right of other unsecured creditors of the Corporation.
- 15.9 This Plan is established under the laws of the Province of British Columbia and the rights of all parties and the construction of each and every provision of the Plan and any Share Units granted hereunder shall be construed according to the laws of the Province of British Columbia.
16. SECTION 409A
- 16.1 It is intended that the provisions of this Plan comply with Section 409A, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Notwithstanding anything in the Plan to the contrary, the Corporation may provide in the applicable Grant Agreement with respect to Share Units granted to Participants whose benefits under the Plan are or may become subject to Section 409A, such terms and conditions as may be required for compliance with Section 409A. In addition, the following will apply to the extent that a Participant's Share Units are subject to Section 409A.

- (a) Except as permitted under Section 409A, any Share Units, or payment with respect to Share Units, may not be reduced by, or offset against, any amount owing by the Participant to the Corporation or any Designated Subsidiary.
- (b) If a Participant otherwise would become entitled to receive payment in respect of any Share Units as a result of his or her ceasing to be an Employee, an Eligible Consultant or director upon a Termination Date, any payment made on account of such person ceasing to be an Employee or Eligible Consultant shall be made at that time only if the Participant has experienced a “separation from service” (within the meaning of Section 409A).
- (c) If a Participant is a “specified employee” (within the meaning of Section 409A) at the time he or she otherwise would be entitled to payment as a result of his or her separation from service, any payment that otherwise would be payable during the six-month period following such separation from service will be delayed and shall be paid on the first day of the seventh month following the date of such separation from service or, if earlier, the Participant’s date of death.
- (d) A Participant’s status as a specified employee shall be determined by the Corporation as required by Section 409A on a basis consistent with the regulations under Section 409A and such basis for determination will be consistently applied to all plans, programs, contracts, agreements, etc. maintained by the Corporation that are subject to Section 409A.
- (e) Each Participant, any beneficiary or the Participant’s estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such Participant in connection with this Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Designated Subsidiary or affiliate shall have any obligation to indemnify or otherwise hold such Participant or beneficiary or the Participant’s estate harmless from any or all of such taxes or penalties.
- (f) If and to the extent that Share Units would otherwise become payable upon a Change of Control as defined in the Plan, such payment will occur at that time only if such change of control also constitutes a “change in ownership”, a “change in effective control” or a “change in the ownership of a substantial portion of the assets of the Corporation” as defined under Section 409A and applicable regulations (a “409A Change in Control”). If a Change of Control as defined in the Plan is not also a 409A Change in Control, unless otherwise permitted under Section 409A, the time for the payment of Share Units will not be accelerated and will be payable pursuant to the terms of the Plan and applicable Grant Agreement as if such Change of Control had not occurred.
- (g) In the event that the Committee determines that any amounts payable under the Plan will be taxable to a Participant under Section 409A prior to payment to such Participant of such amount, the Corporation may (i) adopt such amendments to the Plan and Share Units and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits



provided by the Plan and Grant Agreement and/or (ii) take such other actions as the Corporation determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A.

- (h) In Sections 7.1 and 8.3 the phrase “as soon as practicable following” a designated event will be interpreted to mean within the same calendar year as the designated event, or if later, by the 60th day following the occurrence of the designated event.
- (i) Notwithstanding the provisions in Section 12.2(h)(i), upon termination of the Plan payments will be made in accordance with the regulations issued under Section 409A regarding payments upon the termination of a nonqualified deferred compensation plan.

**SCHEDULE E**  
**AMENDMENT TO ARTICLES**

**9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2 and the Act, the Company may:

- (a) by resolution of the directors:
  - (i) subdivide or consolidate all or any of its unissued or fully paid issued shares;
  - (ii) alter the identifying name of any of its shares;
  - (iii) if the Company is authorized to issue shares of a class of shares with par value, if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; or
  - (iv) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (b) by special resolution:
  - (i) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (ii) if the Company is authorized to issue shares of a class of shares with par value, decrease the par value of those shares;
  - (iii) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or
- (c) by ordinary resolution, otherwise alter its shares or authorized share structure when required or permitted to do so by the Act.